Profile of the Multimedia Industry

Report

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Prepared by:

ACNielsen • DIC Research

2300 Yonge Street, Suite 2100 Toronto, Ontario M4P 1E4 solutions@djcresearch.com

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Introduction

Background

Multimedia is one of the new knowledge-based industries that is paving the way in Canada for continued job creation, sustained growth and the expansion of trade in the global economy.

Comprehensive and up-to-date statistical information on the Canadian Multimedia industry is difficult to obtain at this point in its development. In early 1999, the most comprehensive source of information was a report on a survey conducted four years earlier (1995) by ACNielsen•DJC Research for the Interactive Multimedia Arts and Technologies Association (IMAT) in collaboration with Industry Canada. In order to keep abreast of this rapidly developing sector, the Department of Canadian Heritage, Industry Canada, Human Resources Development Canada, and the Department of Foreign Affairs and International Trade commissioned a survey of Multimedia developers and publishers. This report reflects the key findings of this study.

Objectives

Above and beyond updating appropriate measurements first taken in the 1995 study, the objective of the current study was to construct a profile of the industry by addressing the following objectives:

- Present the current status of the industry in Canada;
- Identify emerging trends in the industry;
- · Provide an understanding of the current labour market in the industry;
- Isolate human resource issues facing the Multimedia industry;
- Develop an understanding of the perceived role of the government in the industry;
- Identify the Multimedia industry's strengths and weaknesses;
- Create linkages among the various Multimedia players;
- Detail the industry's financial and investment concerns;
- Understand the Multimedia industry's cultural and trade issues.

Methodology

Sample

In order to create a comprehensive sample frame, the commissioning departments (namely, Industry Canada, Canadian Heritage, Human Resources Development Canada, and the Department of Foreign Affairs & International Trade) went to considerable lengths to compile a complete list of the entire universe of Multimedia companies in Canada. This list was compiled based on contact lists accumulated by the commissioning departments along with the directories of industry associations. The commissioning departments provided ACNielsen•DJC Research with a sample frame consisting of 1,101 Multimedia companies in Canada. This list was revised to eliminate any duplications (i.e., companies of a similar name with the same phone number). This produced a sample frame of 1,080 organizations.

Questionnaire design

The survey, available in both English and French, was designed by ACNielsen•DJC Research in consultation with the Department of Foreign Affairs & International Trade, Industry Canada, Canadian Heritage and Human Resources Development Canada.

Questions were included in the survey on each of the following key areas of investigation:

- · A profile of the respondent's company;
- · Content of the Multimedia products;
- Market information;
- Marketing and distribution;
- · Financial;
- · Human resources and training;
- · The role of government; and
- Industry issues.

Data collection

In order to facilitate comparability with the results of the 1995 study, a selfadministered mail-back questionnaire was utilized to collect the data in 1999.

The survey was printed on regular white 8-1/2 X 11 paper, double-sided with a single staple in the top left-hand corner, which was mailed with a covering letter printed on ACNielsen•DJC Research letterhead and a postage paid return envelope. An initial mailing of 1,080 surveys were sent to respondents using first class mail during the week of March 1, 1999.

To ensure the best possible rate of response, a telephone reminder call was placed approximately one week after this mailing. A second mailing to companies which had not yet responded took place during the week of April 12, 1999.

Although the response rate is not low for a study of this nature, it is considerably lower than the response rate in the study conducted in 1995. Past experience suggests there are a number of possible explanations for the lower response rate, although these explanations cannot be verified.

In the first place, the 1995 study was conducted during what might be described as 'early days' in the Multimedia industry. During such a period when there was virtually no comprehensive information about the industry, one can imagine that the motivation for Multimedia companies to participate in such a study might be higher than it would be in subsequent years, by which time industry participants may have come to feel that they had acquired a general 'feel' for the characteristics and direction of the industry, not to mention their own role in it.

As well, the size of the industry has grown dramatically. In the 1995 study, the total list of organizations competing in this industry in Canada was made up of just over 500 companies. In the current study, the corresponding list was about double that size. Newcomers may not have the same outlook as pioneers.

Another possible factor might have to do with the demanding competitive conditions faced by industry participants, which might have prevented some from finding the time to respond to the survey. Related to this, it should also be noted that, while an incentive was offered in the 1995 study in the form of a draw for a digital camera, current rules prevented the offer of a similar inducement.

Results

A total of 152 organizations responded to the survey. A large number of undeliverable questionnaire packages (62) were returned by Canada Post to ACNielsen•DJC Research.

The table below shows the provincial distribution of the sample (i.e., completed questionnaires) used for this analysis. As the table indicates, the profile of the sample distribution is very close to the provincial distribution in the original sample frame.

	WHICH N		ota per Man	ψ,		
Alberta	56	5	54	5	11	7
British Columbia	133	12	129	12	20	13
New Brunswick	25	2	25	2	5	3
Nova Scotia	53	5	53	5	3	2
Newfoundland	14	1	14	1	3	2
Ontario	435	40	427	40	61	40
Quebec	334	30	320	30	42	28
Saskatchewan	18	2	17	2	2	1
Manitoba	28	3	28	3	3	2
Northwest Territories	2	*	2	*		*
Yukon	1		1	*	*	*
PEI	2	*	10	1	1	1
Province not stated					1	1
Total	1,101**	100	1,080**	100	152	100

Less than 1/2 of 1 per cent.

Of all survey participants in this analysis, 31 per cent (47 companies) are involved solely in creating and developing Multimedia content (i.e., the operational definition of *production* used in the survey materials). Only 3 per cent (5 companies) claim to be involved solely in marketing and distributing Multimedia products, or *publishing* as the operational definition was labeled for purposes of the survey. As might be expected, approximately two-thirds (64 per cent, or 97 companies) act as both producers and publishers.

^{**} Note: The commissioning departments went to considerable lengths to compile a sample frame which comprised the universe of Multimedia companies in Canada. A total of 1,101 listings were compiled, and checked for duplications. Elimination of duplications resulted in a final list of 1,080 unduplicated organizations.

Segmentation

To help illustrate the differences between Multimedia organizations, the companies participating in this study were allocated to one of three segments based upon their behaviour. This segmentation was achieved by means of a cluster analysis, based in turn upon answers to Question 7, in which study participants were asked to report what percentage of their revenues were derived from various sources such as website development, entertainment, and information / reference.

About the report layout

The results of the research are presented in the form of summary tables with brief commentary. Detailed tabulations have been supplied under separate cover.

Notes on the Reporting of Results

In some tables the percentages will add to more than 100 per cent. In some cases, this is simply due to rounding. In other cases, this result reflects the fact that the question upon which the table is based allowed for multiple responses from a single respondent.

To the extent that is appropriate, banner breakdowns have been kept consistent with 1995 data. This means that, for example, breakdowns by company size are used in some sections, but not in all.

In this study, not every question was answered by every respondent. There are two main reasons for this. In some cases, the respondents were 'streamed' to answer some questions but not others. For example, some questions were directed to Multimedia producers only, and organizations which are engaged in the industry as publishers but not as producers did not answer such questions. For this reason, the bases of some tables are less e total number of respondents to the survey. As well, some respondents did not answer certain questions even if the question was directed to them. For example, not all study participalits answered the question about the size of their staff. This has an impact on some banner breakdowns. For example, it is occasionally the case that results are reported by company size. In these tables, the results are displayed in columns; one column for each company size and another column for the total number of companies. The aggregated total includes all appropriate companies, whether they indicated their size or not. Because of this, the number of companies reported in the 'total' column is sometimes greater than the sum of the number of companies in each of the size columns. Table 45 is an example. The number of companies shown in the 'total' column is 152. There are 77 companies which reported having a staff of less than ten people, 52 which reported a staff of ten to thirty, and 19 which reported a staff larger than thirty. Adding the 'size of staff' columns yields a total of 77 + 52 + 19 = 148. Four companies failed to report the size of their staff and were therefore included in the 'total' column, but not in any of the 'company size' columns.

Company Definitions

Some terms used in the report are defined below.

- Small company: companies that have less than 10 employees in total.
- Medium company: companies that have 10 to 30 employees in total.
- Large company: companies that have 31 or more employees in total.
- Multimedia-dedicated: companies that derive 100 per cent of their revenue solely from Multimedia-related activities.
- Non-dedicated Multimedia companies: companies which derive less than 100 per cent of their revenue from Multimedia-related activities.

Sample Error

The sample error in the current study is \pm 8% on questions answered by the full base (152).

Executive Summary

Present Status of the Multimedia Industry in Canada

- Geographic Distribution: The industry tends to be concentrated in the three provinces which contain the country's three largest urban areas: Ontario (40 per cent of firms), Quebec (28 per cent of firms), and British Columbia (13 per cent of firms).
- <u>Size of Organizations</u>: The majority of organizations are small businesses.
 Approximately half (51 per cent) have fewer than ten employees.
- Markets Served: On average, half of companies' Multimedia revenue (50 per cent) is derived from serving the business market. Other markets served include Education (20 per cent of companies' revenue), the Home market (13 per cent of revenues), Government (10 per cent of revenue), and other public institutions (4 per cent of revenue).

Future Development

- Prospects for Future Growth: There are high expectations, and optimism is widespread. While 53 per cent of organizations are already profitable, over 90 per cent expect to be profitable within 2 years. In spite of widespread optimism, many organizations have experienced some frustration with the rate of growth of the market (which they had earlier expected to be greater), and many firms continue to experience difficulties in establishing a suitable distribution channel (especially to retail markets).
- Emerging Trends: Firms industry-wide have begun to tap the potential for online
 marketing, and it is expected that as e-commerce develops, higher rates of growth
 can be achieved and sustained. As well, strategies have emerged with respect to
 whether a firm chooses to specialize primarily in one type of product (e.g., website
 development or information / reference products) or maintain a broad-based Multiproduct line strategy, offering products simultaneously in fields such as education,
 training and entertainment.
- <u>Human Resources Issues</u>: Because the rate of growth is anticipated to be strong, many firms have aggressive hiring plans. Many firms also have concerns about finding personnel with appropriate skills. This is regarded at present as a challenge rather than a crisis. A majority of firms offer training. Smaller firms have a higher propensity to hire trained personnel directly as they graduate as an alternative to training existing staff.

Executive Summary (cont'd)

Future Development (cont'd)

- <u>Financial and Investment Issues</u>: A majority of firms plan to seek financing within the next 12 months (63 per cent of firms with Multi-product strategies, 69 per cent of firms specializing in the Information/Reference niche, and 51 per cent of firms specializing in website development).
- Contribution of Government: All segments regard tax incentives as a main priority, but differ with respect to secondary priorities. While Multi-product firms place high priority on assistance with export development, firms with a niche strategy, which tend to be less interested in the international market, place a higher priority on loans and grants.

Key Findings

Multimedia Industry Profile

- About one-half (47 per cent) of companies surveyed were classified as dedicated Multimedia companies, with 100 per cent of their revenue derived solely from Multimedia-related activities. This represents an increase of 14 per cent over the 1995 results.
- Multimedia companies tend to be small businesses, with close to half the companies surveyed (51 per cent) employing less than 10 people. Approximately one-third (34 per cent) employ from 10 to 30 people. The average number of employees is 22, and the median number of employees is 9. The average number of employees among organizations focused exclusively on Multimedia ('Multimedia-dedicated' organizations) is 13, and the median number of employees among Multimedia-dedicated companies is 9.
- Contract workers make up a high percentage of the work force in organizations engaged in Multimedia (33 per cent). Looking just at the Multimedia unit, just over one-quarter of staff (26 per cent) are creatives, just under one-quarter (22 per cent) are technical personnel, and one in five (20 per cent) are in the category of management / sales / administration. These proportions are similar to the profile of Multimedia organizations in 1995.
- The population of Multimedia companies is younger on average than it was in 1995, since a comparatively higher proportion of organizations reported having begun in the Multimedia business within the previous year (28 per cent in 1999 as compared to 22 per cent in 1995).
- The vast majority of Multimedia companies (91 per cent) are privately held.
- On average, over half (53 per cent) of all revenue earned by Multimedia companies is derived from corporate services. Corporate services are the largest source of revenues both for companies that are Multimedia-dedicated (44 per cent of all revenue in '98) as well as companies that are not focused solely on Multimedia (60 per cent of all revenue in 1998).
- Almost all Multimedia companies (97 per cent) in Canada serve the domestic Canadian market. Over half of Multimedia companies (53 per cent) serve the U.S. market. This situation is virtually unchanged since the last profile study was done in 1995.

Key Findings (cont'd)

Multimedia Industry Profile (cont'd)

- Approximately two-thirds of Multimedia companies (68 per cent) serve customers in the business sector, and over half (53 per cent) serve customers in the educational sector.
- As was the case in 1995, just over half (53 per cent) of Multimedia companies participating in this year's study reported that they were profitable in the previous year.

Content

- On average, website development accounted for the largest single source of revenue (i.e., reported to be 26 per cent in 1998, and projected to be about the same in 1999). Website development accounts for a large percentage of revenue (71 per cent on average) for companies in the Website Developer niche, but accounts for a small percentage (12 per cent or under on average) for other Multimedia companies. Education was the next largest category (19 per cent of the industry total in 1998). Training represents a source of one out of every six dollars earned by Multimedia producers (13 per cent). This percentage is expected to remain at least as large during 1999. Entertainment and games both represent much smaller sources of revenue, and neither are expected grow meaningfully in the immediate future.
- The most commonly utilized platforms in 1998 were CD-ROM and online products. Projections of revenue for CD-ROM products represent a marginally smaller percentage of the industry total, while the percentage of total industry volume expected to be represented by online products is expected to grow.
- The vast majority of producers have at one time or another obtained copyright clearance (i.e., only 18 per cent of producers indicated they had not). Among companies who supplied an answer, 86 per cent said they obtained their clearance directly from the owner.

Marketing & Distribution

- Traditional direct marketing continues to be a very commonly utilized method of distribution of Multimedia products and services in the Canadian industry, but the most dramatic change since 1995 has been the adoption of online marketing and distribution. Companies in the Website Developer niche are very likely to use this method of marketing and distribution (i.e., utilized by 85 per cent of publishers in the Website Developer niche). Online marketing and distribution is also very popular with companies in the Multi-product segment (68 per cent of publishers in this segment). The only segment of publishers which lags behind in the utilization of this channel is the Information/Reference niche (44 per cent of publishers in this segment).
- Almost three-quarters (74 per cent) of publishers indicated that they use Internet advertising.
- Retail distribution is very widely dispersed across a number of different kinds of outlets. No single type of outlet is dominant in the sense that it is used by a majority of publishers.

Human Resources

- Salaried Employees: Management and sales salaries range from over \$65,000 annually at the top end (47 per cent of companies) down to under \$35,000 at the bottom end with an incidence of 49 per cent. Remuneration for the creative staff and the technical staff tends to be much lower than remuneration for management. At the top end, these salaries tend to fall into the \$35,000 to less than \$65,000 range for both creatives (57 per cent in this range) as well as for technical staff (47 per cent in this range).
- Hourly Rate Employees: While employees in the management category tend not to be compensated on an hourly-rate basis, creatives as well as technical personnel in the Multimedia industry are compensated at rates ranging from over \$80 per hour at the top end for about one-fifth to one-third down to under \$35 per hour at the bottom end for about half to three-quarters. The 1999 data shows a more pronounced polarization of salaries for hourly-rate employees than was evident in 1995. Compared to 1995, there has been a general increase in the proportion of responses that fall in the under \$35 per hour range.

Human Resources (cont'd)

- On average, individuals who are employed in management and sales positions
 work the most hours (46 hours on average) per week. In the case of all three job
 categories (i.e., management, creatives and technical staff), employees in mediumsize companies tend to work the most hours per week.
- Companies with more than 10 employees, companies who are non-Multimediadedicated and companies whose revenue is \$1 million or more succeed in retaining permanent management for three years on average.
- Approximately two-thirds (68 per cent) of the companies surveyed provide some kind of training, either formal or informal.
- Note: The questionnaire used in 1999 was based on the 1995 questionnaire, but was extended and refined to reflect recent developments in the industry. In cases where similar questions were asked, direct comparisons were made. For example:
 - Compared to the previous study conducted in 1995, there are currently, on average, more employees with university degrees than diploma programs.
 - Compared to the previous study conducted in 1995, the proportion of companies who are planning to hire salaried employees in 1999 has increased.

Finance & Investment

- A total of 61 per cent of companies surveyed indicated they have used domestic financing. Domestic financing is most likely to be used by medium-size companies, companies who are Multimedia-dedicated and companies whose major source of revenue is derived from education, training, and entertainment.
- The sources of financing include government (which tops the list), followed closely by banks and personal sources. The government was cited as a source of financing by two-thirds of respondents as a source of funding, a 24 per cent increase over 1995. Banks and personal sources were cited by approximately two-thirds (65 per cent) of Multimedia companies as a funding source. Leasing companies and banks suffered modest declines in 1999 compared to 1995.
- The majority of companies (60 per cent) are planning to seek outside financing in the next 12 months.
- Of the firms who will seek outside financing within the next 12 months, 28 per cent will seek \$1 million or more in financing, an increase of 9 per cent over 1995.
 Approximately half (56 per cent) of firms planning to seek financing reported that they would be seeking under a half million dollars.

Strategic Alliances

- In 1999 over two-thirds (69 per cent) of firms surveyed indicated that they had already established strategic alliances whether domestic or international. This is approximately the same percentage of firms in 1995 (73 per cent).
- Multimedia-dedicated companies are marginally more likely than non-dedicated Multimedia companies to have developed domestic alliances (59 per cent of Multimedia-dedicated companies).

Industry Issues

- Nearly two-thirds of companies (61 per cent) agreed that international
 investment provides 'great opportunities' for growth. Almost half of these (46 per
 cent) felt that this has 'a great deal' of impact.
- More than four-in-ten companies (43 per cent) indicated that the task of finding employees who possess both technical and creative skills is more difficult now than it was two years ago.
- About three-quarters (74 per cent) of study participants agreed with the idea that the process of obtaining a copyright would be improved if there was a single clearance point.
- About one-third of study participants (32 per cent) agreed that it is easier to obtain financing support for the development of new titles now than it was two years ago.
- Approximately two-thirds (60 per cent) of respondents believe that the pace of growth in the Canadian market is not growing as fast as expected.

Role of Government

Multimedia executives perceive that the federal government should take a more
active role. With respect to each of a number of potential areas of government
initiative, substantial percentages of Multimedia companies believe that "very
involved" is the ideal level of involvement for the federal government. A relatively
low percentage of companies believe that the federal government is in fact "very
involved" currently.

Multimedia Industry Profile

Participating Multimedia companies were classified based on whether Multimedia is their only line of business in 1999. For example, some Multimedia companies earn revenue from sources other than Multimedia, or are the Multimedia unit of a larger business that operates in other fields in addition to Multimedia.

In 1999, there is an even split between companies that derive their revenues exclusively from Multimedia versus those that have other sources or are part of a larger organization. About one-half (47 per cent) of companies surveyed were classified as Multimedia-dedicated companies, with 100 per cent of their revenue derived from Multimedia-related activities. This represents an increase of 14 per cent over the 1995 results. The same proportion (47 per cent) reported that some of their revenue is generated outside the Multimedia industry.

Table 1
Source of Revenue
(Multimedia-dedicated vs. Non-dedicated)
Base: All companies

	TOTAL	TOTAL
	1995	1999
	(203)	(152)
	%	%
Revenue 100% from Multimedia	33	47
Revenue <100% from Multimedia	61	47
Not Stated	6	6

This shift since 1995 is the result of a fairly recent influx of Multimedia-dedicated companies. The extent of this influx can be measured by comparing the average age of Multimedia-dedicated companies to the average age of all others. Just under one-third (31 per cent) of Multimedia-dedicated companies are three years old or younger. By comparison, only one-quarter (25 per cent) of non-dedicated companies are three years old or younger.

Size by number and type of employees

Multimedia companies tend to be small businesses, with close to half the companies surveyed (51 per cent) employing less than 10 people.

The average reported number of employees working in organizations which are engaged in Multimedia in 1999 was 22 people, including permanent employees as well as personnel working on contract. In Multimedia-dedicated companies, the average number of personnel was 13, and in non-dedicated organizations, the figure is 31. This is considerably fewer than the corresponding figures reported in 1995, when the mean number of employees working in Multimedia-dedicated companies was 21 employees, and the average number of employees in non-dedicated Multimedia companies was 106.

Table 2
Total Number of Employees
Base: All companies

		200000 7111	Companie				
		1995		1999			
		MULTIMEDIA DEDICATED			MULTIMEDIA DEDICATED		
	TOTAL (203)	YES (68)	NO (123)	TOTAL (152)	YES (71)	NO (72)	
	%	%	%	%	%	%	
Less than 10	46	46	49	51	52	47	
10 to 30	30	39	26	34	38	35	
More than 30	16	9	20	13	10	15	
Refused/Don't Know	3	4	2	3		3	
Average number of employees Median number	74	21	106	22	13	31	
of employees	n/a	n/a	n/a	9	9	10	

Note: A number of companies participating in the study failed to indicate their size by number of employees. In the interest of completeness, the comparisons between Multimedia-dedicated and non-dedicated companies is expressed in Table 3 below, recalculated removing these non-responders from the base.

Table 3
Total Number of Employees (1999)
Base: Companies involved in Multimedia activities

	MULTIMEDIA DEDICATED				
	TOTAL (148*)	YES (71)	NO (70)		
	%	%	%		
Less than 10	63	56	67		
10 to 30	29	34	27		
More than 30	8	10	6		
Average number of employees	17	13	21		
Median number					
of employees	7	9	6		

^{*} Four respondents did not indicate the total number of employees

It has been noted by observers that, during the period 1995 - 1999, the average size of businesses in general in Canada decreased. Some have explained this trend by saying that during the protracted recession, it became a common strategy for organizations to downsize and to focus on their 'core' lines of business, shutting down or divesting lines of business which were deemed not to belong in the 'core' bundle. 'Small, lean and mean' has increasingly become the order of the day. This trend may partly explain why the average number of employees working at Multimedia companies has decreased so dramatically, particularly among non-dedicated Multimedia companies. Another part of the explanation most likely has to do with the fact that a surge of new companies have joined the industry, and in general, new companies tend to be smaller at first.

Multimedia companies were also asked to indicate the proportions of personnel engaged in each of a number of categories, including: management / sales / administration, creative, and technical roles. This was further classified according to whether personnel are permanent employees or contract workers.

As Table 4 shows below, contract workers make up a fairly high percentage of the work force in organizations engaged in Multimedia. For example, on a 'total company' basis, the average number of permanent employees is 15.4. Looking just at the Multimedia unit, the average number of permanent employees is 11.3. By comparison, the average number of contract workers employed in the Multimedia unit is 5.5 people. Adding the average number of permanent employees engaged by the Multimedia unit to the corresponding number of contract workers the total is (11.3 + 5.5 =) 16.8 employees. Of these 16.8 employees engaged by the Multimedia unit, contract workers represent 33 per cent of employees.

Looking just at the Multimedia unit, just over one-quarter of staff (26 per cent) are creatives, just under one-quarter (22 per cent) are technical personnel, and one-in-five (20 per cent) are management, sales or administration. These proportions are similar to the profile of Multimedia organizations developed in 1995. It makes considerable sense that in this new and rapidly developing industry, creatives make up the largest single contingent of personnel.

Concerning the split between permanent and contract personnel, the majority of personnel are permanent employees in each of the various categories (e.g. management, technical and creative staff, others).

Table 4

Average Number of Employees — Company Total as well as those Employees
Involved in Multimedia Business

Base: All companies

CONTRACT PERMANENT TOTAL MULTI-TOTAL MULTI-COMPANY MEDIA COMPANY MEDIA (152)(152)(152)(152)AVG AVG AVG AVG Management/ Admin/Sales 4.9 2.7 0.7 0.6 2.8 1.9 Creative 3.2 1.6 **Technical** 2.9 2.7 1.2 1.0 4.4 3.1 2.3 2.3 Other 15.4 11.3 6.1 5.5 TOTAL

Ownership structure

The vast majority of Multimedia companies (91 per cent) are privately held. The proportions between publicly traded, public sector and private ownership have not changed meaningfully since the portrait was last drawn in 1995.

Table 5

Company Ownership Structure

Base: All companies

	TOTAL	TOTAL
	1995	1999
	(203)	(152)
	%	%
Privately held	86	91
Publicly traded	7	5
Public sector	5	3
Refused/Don't Know	2	1

Period of time engaged in Multimedia

Table 6 shows that, as was suggested earlier, the population of Multimedia companies is younger on average than it was in 1995, since a comparatively higher proportion of organizations reported having begun in the Multimedia business within the previous year (28 per cent in 1999 as compared to 22 per cent in 1995).

Table 6
Year Company Engaged in Multimedia Activities

Base: All companies						
		1995			1999	
	TOTAL (203)	LESS THAN 10 (94)	10 OR MORE (93)	TOTAL (152)	LESS THAN 10 (77)	10 OR MORE (71)
	%	%	%	%	%	%
5+ Years	37	29	43	32	31	35
2-4 Years	38	38	41	38	33	44
1 Year	22	29	14	28	34	21
Refused/Don't Know	3	4	2	2	3	

As might be expected, larger companies are older on average than smaller companies, although not by a huge margin. For example, the average age of companies in this industry is 5.3 years. Companies with 10 or more employees are, on average, 5.6 years old. Companies with fewer than 10 personnel are, on average 4.8 years old.

Business Activity: Title Development vs. Publishing vs. Services

Study participants were asked to indicate what percentage of their 1998 Multimedia revenue had been derived from each of three activities: title development, publishing, and corporate services. On average, over half (53 per cent) of all Multimedia revenue was derived from services to clients, such as corporate communications material or website development. Services to clients were the largest source of revenues both for companies that are Multimedia-dedicated (44 per cent of all revenue in '98) as well as companies that are not focused solely on Multimedia (60 per cent of all revenue in 1998).

Title development is responsible for a considerably larger percentage of revenue among the group of companies which are Multimedia-dedicated (36 per cent) than among companies which are not solely focused on Multimedia (20 per cent).

Table 7

1998* Percentage of Company Revenue (Average of All Companies) from Various Sources

Base: All Companies

		MULTIMEDI DEDICATEI	
	TOTAL	YES	NO
- P - W	(152)	(71)	(72)
	%	%	%
Services to clients			
(e.g., Website			
development)	53	44	60
Title development	28	36	20
Publishing	12	13	13
Not stated	7	7	7

Note: Companies were asked to report revenue from various years. This table reflects the most recent year for which actual results could be reported.

Geographic markets served — Current

Almost all Multimedia companies (97 per cent) serve the Canadian market. Nearly two-thirds of Multimedia companies (64 per cent) are engaged in export. Over half (53 per cent) serve the U.S. market; a situation which is virtually unchanged since the last profile study was done in 1995.

Since 1995, Multimedia companies have maintained an important foothold in Latin America and Asian countries such as Japan, Singapore as well as in Southeast Asia.

Table 8
Geographic Areas Served
Base: All companies

	1995				1999	
		MULTIMEDIA DEDICATED			MULTIMEDIA DEDICATED	
	TOTAL (203)	YES (68)	NO (123)	TOTAL (152)	YES (71)	NO (72)
	%	%	%	%	%	%
Canada	98	100	99	97	97	97
United States	58	69	52	53	63	46
Latin America	7	13	4	5	7	3
Southeast Asia	11	16	8	5	6	3
Japan	8	11	7	3	3	4
Singapore				3	7	•
Europe (NET)	22	21	23	23	25	19
United Kingdom				9	11	8
Germany				5	7	3
France				12	15	7
Other Europe				11	10	11
Other International				13	15	10

As Table 9 shows, companies which commenced Multimedia operations more than three years ago (i.e., prior to 1996) have a somewhat greater propensity to be engaged in activities beyond Canada's borders, and companies which commenced Multimedia operations more than five years ago (i.e., prior to 1994) have a considerably greater propensity to be engaged in activities beyond Canada's borders.

Table 9

Percentage of Multimedia Companies Participating in Various International Markets

Base: All companies

			EAR BEC				
		MULTIME	EDIA OP	ERATIONS	SEG	<u>MENTS</u>	
		PRIOR	1994	1996-	MULTI-	INFO/	WEB.
	Total	TO 1994	-95	PRESENT	PRODUCT	REF	DEV.
	(152)	(49)	(57)	(43)	(83)	(16*)	(41)
	%	%	%	%	%	%	%
United States	53	65	49	49	57	50	49
Latin America	5	6	7	2	10	-	-
Southeast Asia	5	4	5	5	7	-	•
Japan	3	2	4	5	4	-	2
Singapore	3	2	7	**	6		
Europe	23	27	23	16	35	13	5
United Kingdom	9	10	11	5	14	6	2
Germany	5	2	9	2	8	-	-
France	12	10	14	12	18	6	
Other Europe	11	10	14	7	17	-	2
International							
(including U.S.)	64	81	57	60	73	63	49
International							
(excluding U.S.)	13	18	9	14	20	13	

Caution: Small base.

^{**} Less than 1/2 of 1 per cent.

While Table 9 above reflects the percentage of Multimedia companies which participate in each geographic market, Table 10 below compares the participation rate in each geographical area with the amount of dollars derived from each area. So, for example, almost all companies participating in the survey (97%) reported that they earn revenue in Canada, but the total estimated revenue earned in Canada represents 63% of all Multimedia revenue earned by Multimedia companies in Canada, and conversely, nearly four in ten dollars is earned in the export market. Over half of companies participating in the survey earned Multimedia income in the US, and the total dollars earned represent about 30% of the total industry volume. One out of eight companies (13%) reported earning income from countries other than the ones on the list, but revenue from these sources represents about one per cent of the total industry volume.

Table 10

Average Multimedia Revenue by Geographic Area

Base: All companies

	Dase. I'm companies	
	GEOGRAPHIC	MARKETS AS AVE. PCT. OF COMPANIES' ESTIMATED
	AREAS SERVED	REVENUE
	1999	1999
	(152)	(152)
	%	%
Canada	97	63
United States	53	30
Latin America	5	1
Southeast Asia	5	1
Japan	3	•
Singapore	3	•
United Kingdom	9	1
Germany	5	•
France	12	2
Other Europe	11	1
Other International	13	1

[•] Less than 1/2 of 1 per cent.

It should be noted that, in Table 10 above, companies reported ranges of revenue (e.g., \$1 million to \$2 million) rather than actual figures. To calculate the figures above, mid-points of ranges were used. Accordingly, the percentages should be regarded as approximations rather than specific measurements.

Development plans

According to industry participants, the Canadian market will continue to be the primary focus of future development plans. Three-quarters (77 per cent) of Multimedia companies rated the importance of the Canadian market in their development plans over the next two years as a '5' or a '4' on a five-point importance scale, where a '5' means 'very important'. (Please note: In research parlance, this is known as a 'Top-2-Box Score'. Correspondingly, a rating of either a '1' or a '2' is referred to as a 'Bottom-2-Box Score'.) This clearly reinforces the importance of the Canadian market as an integral part of the development of Multimedia companies based in Canada.

The industry assigns a similar level of importance to the U.S. market. Although just over half of Multimedia companies reported that they currently sell to the U.S. market, nearly three-quarters (72 per cent) assigned this market a Top-2-Box score in assessing its importance to them over the next two years.

Among all the non-North American markets, Europe evidently has the greatest appeal to Canadian Multimedia companies. Nearly one-third (30 per cent) rated Europe in the Top-2-Box range with respect to their plans for the next two years. Please note, not all companies provided an answer to this question, and if the 'Not stated" group is removed and the figures re-percentaged solely based on those who responded, Europe received a Top-2-Box score of 44 per cent. Similarly, Asia's Top-2-Box score among respondents who answered this question is 23 per cent, Latin America's Top-2-Box score is 15 per cent, and other countries scored a Top-2-Box rating of 18 per cent.

Table 11
Importance of Each Area in the Company's Future Development
Base: All companies

	AVERAGE	TOP-
	RATING*	2-BOX
	(152)	SCORE
		%
Canada	4.4	77
United States	4.3	72
Europe	3.1	30
Asia	2.3	14
Latin America	2.1	9
Other countries	2.0	6

 ¹⁼Not at all important; 5=Very important

Market segments served

The Multimedia industry in Canada continues to serve a broad range of market segments. As Table 12 shows, approximately two-thirds of companies (68 per cent) serve customers in the business sector, and over half (53 per cent) serve customers in the educational sector.

In 1995 the categories 'government' and 'other public institutions' were lumped together, and so the 1995 penetration figures are not directly comparable. One item which is comparable, however, is the number of sectors, on average, served by Multimedia companies. This has not changed since 1995. Thus, even if some companies have narrowed the focus of their product line, the strategy of companies in the industry has apparently been to continue to serve more than one sector of customers.

Table 12

Markets Segments Served

Base: All companies

	1995 MARKET SERVED (203)	MARKET SERVED .(152)	1998* AVE. PCT. MULTIMEDIA REVENUE
	%	%	%
Business	73	68	50
Education	66	53	20
Government	45	36	10
Home	41	34	13
Other public institutions		18	4
AVE. No. OF SECTORS	2.2	2.1	N/A

Note: In this column, the figures represent 1998 revenue, the last year for which actual revenues are known.

The business sector accounts for half of the Multimedia revenue. The education sector, which apparently has been a target market for a dwindling number of Multimedia companies, nonetheless still represents a source of one-fifth of all Multimedia revenue.

Industry profitability

As was the case in 1995, just over half (53 per cent) of Multimedia companies reported operating profitably in the previous year. This percentage is approximately the same for larger companies as well as smaller ones (i.e., about 53 per cent for companies with fewer than 10 employees versus about 55 per cent for companies with 10 or more employees), and is also approximately equal among companies which are Multimedia-dedicated (about 52 per cent) as well as among those which are not Multimedia-dedicated (53 per cent).

Table 13
Profitability by Company Size (1998*)

Base: All companies

		COMPANY SIZE		MULTIMEDIA DEDICATED	
	TOTAL (152**)	LESS THAN 10 (77)	10 OR MORE (71)	YES (71)	NO (72)
	%	%	%	%	%
Company is profitable	53	53	55	52	53
Company is not profitable	45	46	42	46	45
Refused	2	1	3	1	3

^{*} Note: At the time of the study, 1998 was the most recent year for which there was an outcome as to whether the company had been profitable.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

This differs from the previous profile in 1995, when larger companies were much more likely to have reported being profitable than were smaller companies (64 per cent of larger versus 43 per cent of smaller), and Multimedia-dedicated companies were much less likely to have reported profitable operations than non-dedicated Multimedia companies (44 per cent of dedicated versus 61 per cent of non-dedicated). The extent to which these percentages have balanced may well suggest that the industry has reached a degree of stability.

Table 14
Profitability by Company Size (1995)

Base: All companies

		COMPANY SIZE LESS 10 OR		MULTIMEDIA DEDICATED	
	TOTAL (189)	THAN 10 (91)	MORE (86)	YES (61)	NO (99)
	%	%	%	%	%
Company is profitable	53	43	64	44	61
Company is not profitable	40	51	29	52	37
Refused	7	6	7	4	2

The vast majority (81 per cent) of Multimedia companies which are not currently profitable indicate that they expect to become profitable either within the current calendar year or by the year 2000.

Table 15

Year Expecting to be Profitable

Base: Companies not currently profitable

		MULTIMEDIA DEDICATED		
	TOTAL (68**)	YES (33*)	NO (32*)	
	%	%	%	
In 1999	38	30	44	
In 2000	43	52	34	
In 2001	10	12	9	
After 2001	9	6	13	

^{*} Caution: Small base.

^{**} Note: Some companies expecting to become profitable failed to report whether they were Multimedia-dedicated or not, but are included in the total column.

Revenue

It is important to note that over three-quarters of Multimedia companies are small, with 77 per cent of Multimedia companies under the \$1 million revenue threshold. Approximately one-in-five Multimedia companies (19 per cent) reported that, last year, revenues were in the range of \$1 million or more. When taking into consideration only companies that provided an answer, certain revenue figures improve significantly. Actual revenue in 1997 of less than \$1 million is 85 per cent, while the 1999 forecast figure increases to 70 per cent (from 63 per cent), 57 per cent for 2000, and 42 per cent for 2001 in the less than \$1 million revenue category. Similarly, in the \$1 million or more category, the forecast for 2000 increases from 34 per cent to 43 per cent, while the percentage for 2001 increases from 44 per cent to 58 per cent, when taking into consideration only companies who provided an answer. Evidently there is considerable optimism in the industry about the potential for growth, since the number of companies that expect to pass this milestone would more than double in as short a time as two years from now, were they all to succeed. Naturally, some may not succeed. Whether they succeed or not, however, this remains a significant measure of the degree of optimism.

Table 16
Actual And Forecast Company Revenue
Base: All companies

	ACTUAL		FORECAST		
	1997 (152)	1998 (152)	1999 (152)	2000 (152)	2001 (152)
	%	%	%	%	%
Less than \$1 million	79	77	63	44	32
\$1 million or more	15	19	28	34	44
Don't know/refused	7	4	9	22	24

Note: In some questions, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. There were a number of non-responses to the question reflected in Table 16 above. If the figures are repercentaged eliminating these non-responses the size of the group forecasting that its revenues will be less than \$1 million in 1999 increases to 70 per cent, 57 per cent in 2000, and 45 per cent in 2001.

Multimedia revenue growth among non-dedicated Multimedia companies

In the previous profile constructed in 1995 it was shown that less than one-fifth of the revenues of non-dedicated Multimedia companies were generated by their Multimedia business activities in 1993, but that this figure had grown to almost one-third of total company revenue within just one year. This trend apparently continued since, for by 1997, the figure had reached 43 per cent, and grew to just under 50 per cent last year.

Non-dedicated Multimedia companies expect this growth in the proportion of revenue derived from Multimedia activities to continue, although the rate of increase over the next year or two is not expected to be as steep as it has been in the previous few years.

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Table 17

Average Proportion of Company's Total Revenue which is Multimedia

Related

Base: Non-dedicated Multimedia companies

	ACTUAL		FORECAST		T
	1997 (72)	1998 (72)	1999 (72)	2000 (72)	2001 (72)
	%	%	%	%	%
Total	43	47	48	53	55
Less than 10 employees	41	44	47	52	56
10 to 30 employees	50	56	54	61	61
31 employees or more	33	35	35	37	38

As might be expected, the proportion which Multimedia represents as a proportion of total company revenues is smaller among larger firms, which tend to have a larger number of personnel engaged in other activities. For all sizes of firms up to 30 employees, however, it is anticipated that the proportion of revenue represented by Multimedia will continue to increase.

Table 17

Average Proportion of Company's Total Revenue which is Multimedia Related

Base: Non-dedicated Multimedia companies

	ACTUAL		F	FORECAS	
	1997 (72)	1998 (72)	1999 (72)	2000 (72)	2001 (72)
	%	%	%	%	%
Total	43	47	48	53	55
Less than 10 employees	41	44	47	52	56
10 to 30 employees	50	56	54	61	61
31 employees or more	33	35	35	37	38

As might be expected, the proportion which Multimedia represents as a proportion of total company revenues is smaller among larger firms, which tend to have a larger number of personnel engaged in other activities. For all sizes of firms up to 30 employees, however, it is anticipated that the proportion of revenue represented by Multimedia will continue to increase.

Cost Structure

Companies indicated that three-quarters of their Multimedia project costs were associated with creation/development.

Table 18

Average Expenditure of 1998 Multimedia Project Costs by Activity

Base: All companies

	COMPANY SIZ			SIZE
	TOTAL (152**)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)
	%	%	%	%
Creation/Development	75	76	75	72
Marketing & distribution	15	11	18	21
Manufacturing & packaging	6	7	4	5
Other	2	3	1	2

[·] Caution: Small base.

Two types of companies (i.e., companies whose major source of revenue is derived from website development as well as small companies with less than 10 employees) are more likely to have 90-100 per cent of their Multimedia project costs associated with creation/development. Conversely companies in the Website Developer niche, companies whose revenue is less than \$250,000 and new Multimedia companies (1996 or more recent) are more likely than other companies to have no costs associated with manufacturing and packaging.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Industry segmentation based on product focus

Two basic strategies are beginning to emerge within the industry. One category of Multimedia company pursues a niche strategy, generating most of the Multimedia revenue by producing one (or mainly one) product, such as websites or information / reference products. The other category is made up of organizations which pursue a Multi-product strategy.

Multi-product companies

Companies which pursue a Multi-product strategy tend to produce a combination of education, training, games, and entertainment products. Most of these companies tend to produce all or most of these four types of products. They do not engage to any significant extent in producing websites or information / reference products.

Companies which pursue a Multi-product strategy are more likely to be Multimediadedicated (55 per cent of companies in this group), in contrast to companies which have adopted a niche strategy, which are more likely to be part of an organization which has sources of revenue outside of Multimedia.

Niche companies

By comparison, companies which pursue a niche strategy tend to focus either on websites or on information / reference products, and largely ignore any products related to education, training, games, or entertainment.

Website Developer Niche vs. Information/Reference Niche

Of the two niche groups, niche companies which are focused on website development have the least in common with the Multi-product segment.

Table 19
Segment Summary
Base: All Companies

	MULTI- PRODUCT (83)	SEGMENT INFO / REF NICHE (16*)	WEBSITE NICHE (41)
Number of companies	83	16	41
1998 average revenue (\$ million) Average number of employees	1.56	2.77	1.13
(total) Average number of employees	28	14	14
(Multimedia)	23	9	11

Caution: Small base.

Table 20 below compares the three types of companies based on the their average revenue in 1998, and their total number of employees.

Table 20 Segment Comparison Base: All Companies

			Ave. # E	Ave. # Employees		
	# of Companies	1998 Ave. Rev.	Total Co.	MM Unit		
Multi-product	83	\$1.56 Million	28	23		
Information/Reference	16	\$2.77 million	14	9		
Website Developer	41	\$1.13 million	14	11		

Companies in the Information/Reference niche and the Website Developer niche tend not to have as large a staff as companies in the Multi-product segment.

Summary Chart

The following chart summarizes some of the unique characteristics of each of these industry segments.

Figure 1 Profile of Industry Segmented by Product-Focus Segment

Figure 1 Profile of Industry Segmented by Product-Focus Segment						
tolding to the extraction	the think of the	4				
 Over half (55 per cent) are Multimedia-dedicated Larger than niche companies (average: 28 employees) Just over half (53 per cent) were profitable in 1998 One-in-five (22 per cent) have crossed the \$1 million revenue threshold Highest rate of participation in foreign markets (69 per cent) Business segment served by 39 per cent (lowest of the three) home market served by 16 per cent 	Under half (44 per cent) are Multimedia-dedicated Smaller than Multi-product companies (average: 14 employees) About one-third (31 per cent) were profitable in 1998 One-quarter (25 per cent) have crossed the \$1 million revenue threshold Middle range of participation in foreign markets (62 per cent) Business market served by 62 per cent, home market served by 20 per cent	About one-third (34 per cent) are Multimedia-dedicated Smaller than Multi-product companies (average: 14 employees) Two-thirds (66 per cent) were profitable in 1998 One-third (34 per cent) have crossed the \$1 million revenue threshold Lowest participation rate in international markets (54 per cent) Business market served by three-quarters (73 per cent), home market served by 3 per cent				

In 1999, one-third (34 per cent) of companies in the Website Developer niche reported that they anticipate achieving revenues of \$1 million or more in the current year. By comparison, one-quarter (25 per cent) of companies in the Information/Reference niche anticipate revenues of \$1 million or more, and just under one-quarter (22 per cent) of companies in the Multi-product segment anticipated achieving revenue in this range. These percentages are much more optimistic than actual results from two years ago (1997), when just under one-quarter (22 per cent) of companies in the Website Developer niche, and just over one-tenth in each of the other two segments (i.e., 13 per cent in the Information/Reference niche and 11 per cent of companies in the Multi-product segment) had achieved this level of revenue. (Please note: Reported revenue includes revenue from all sources, and is not confined to Multimedia revenue.)

The Multi-product segment reported the highest rate of participation in foreign markets. The U.S. was by far the most significant foreign market. The percentage of Multimedia revenue derived from the U.S. by companies in the Multi-product segment is 20 per cent, as compared to 18 per cent of Multimedia revenue earned by companies in the Information/Reference niche and only 8 per cent of Multimedia revenue earned by companies in the Website Developer niche.

Throughout the remainder of this report, reference will be made to these three segments for illustrative purposes.

Content

Revenue Contribution of Various Product Categories

Education titles are created for the purposes of learning and primarily serve formal educational institutions and school boards. Website development and training aids tend to be fee for service contracts, conducted almost exclusively for corporations. The information / reference category of products or titles include encyclopedias, dictionaries and other electronic publishing or reference works.

Producers were asked to indicate the percentage of their 1998 revenue which had been derived from each of a number of products listed in Table 21 on the following page. They were also asked to provide corresponding projections for 1999.

On average, website development accounted for the largest single source of revenue (i.e., 26 per cent in 1998 and projected to be about the same in 1999). For companies in the Website Developer niche, the average percentage of revenue derived from this source is very large (about 71 per cent), and for all other companies, the percentage is very low (12 per cent or under). Education was the next largest category (19 per cent of the industry total in 1998).

Training represents a source of one out of every six dollars earned by Multimedia producers (13 per cent), and this proportion is expected to remain at least as large during the current year.

Entertainment and games both represent much smaller sources of revenue, and neither are expected grow in the immediate future.

Table 21

Average Multimedia Revenue Derived from each Product - 1998
and 1999

· All Multimedia Pr

Base: All Multimedia Producers					
	<u>1998</u> (144)	1999 <u>PROJECTED</u> (144)			
	%	%			
Website Development	26	27			
Education	19	20			
Training	13	15			
Information / Reference	12	10			
Entertainment	5	3			
Games	4	3			
Other Corporate Products	11	11			
Other Mentions	7	7			

Platforms

The most commonly utilized platforms in 1998 were CD-ROM and online products, and not surprisingly, these are expected to continue to be the most widely used platforms. The online platform is expected to see the largest increase in the number of companies (from 66 per cent in 1998 to 72 per cent in 1999). DVD, which was used by only a very small number of producers in 1998, is also expected to see meaningful growth in 1999 (from 2 per cent of producers in 1998 to 8 per cent in 1999).

Table 22
Use of Various Platforms
Base: All Multimedia Producers

	COMPANIES	COMPANIES
	USING	EXPECTING TO USE
	PLATFORM	PLATFORM
	IN 1998	IN 1999
	(144)	(144)
	%	%
CD-ROM	68	69
Online	66	72
KIOSK	17	17
Digital Video Disk (DVD)	2	8
Gaming Consoles	-	1
Other Mentions	18	19

In addition to looking at this issue from the point of view of the percentage of companies using each respective platform, this analysis can also be approached from the point of view of revenues generated, as displayed in Table 23 on the following page. Mirroring participation rates, Table 23 shows that CD-ROM and online products accounted for 82 per cent of companies' revenues in 1998 (40 per cent for CD-ROM and 42 per cent for online products), and together are expected to generate approximately the same percentage of companies' revenues in 1999.

Table 23

Average Revenue by Platform

Base: Multimedia Producers and Publishers

			REVEN	NUE IN 199	8
	1998 (144)	1999 PROJECTED (144)	MULTI- PRODUCT (83)	INFO/ REF. (16*)	WEBSITE DEV. (41)
	%	%	%	%	%
PLATFORMS					
Online	42	46	27	27	77
CD ROM	40	35	51	50	16
Kiosk	3	4	4		3
DVD	1	2	1	1	-
Gaming consoles	-		-	-	-
Other	9	9	11	16	2
METHODS					
Developed entirely					
in-house	79	79	75	79	88
Combination of in-house					
and third party	14	16	15	16	11
Entirely third party					
supplied	3	3	3	5	2

^{*} Caution: Small base.

Interestingly, projections of revenue for CD-ROM products represent a marginally smaller percentage of the industry total, while the percentage of revenue expected to be represented by online products is expected to grow. While more companies expect to be involved in marketing DVD products, revenues derived from this platform are still small enough that the expected growth in this area will not register a meaningful difference expressed as a percentage of the total.

Companies in the Website Developer niche reported revenues from online services (i.e., website development) which equals 77 per cent of the total Multimedia revenue earned by these companies in 1998. Companies in the other two segments earned on average, more than half of their revenue from CD-ROM products, although the Multi-product segment was the most diversified (in terms of revenue generation) across the several platforms utilized by the industry.

It is the general pattern in the industry to develop products in-house (as opposed to acquiring them). As a result, products developed entirely in-house generated the largest percentage of revenue in 1998. Projected revenues suggest that this will continue more-orless unchanged in 1999.

Compared to companies in the other segments, companies in the Website Developer niche reported the largest percentage volume derived from products developed entirely inhouse. Compared to companies in the other segments, companies in the Information/Reference niche reported the largest percentage of revenue derived from products supplied entirely by third-parties.

Copyright

Multimedia companies were asked to indicate how many of their last five projects had involved the use of copyrighted pre-existing works other than their own. Just under half of all Multimedia producers (45 per cent) indicated that they had made use of such material in at least one of their last five projects. A marginally higher number (48 per cent) of producers in the Multi-product segment indicated that they had made use of this material. Companies in the Information/Reference niche were meaningfully less likely to report having made use of this sort of material (31 per cent).

Note: In some questions, a number of respondents failed to provide an answer, and so the results can be reported either including these non-responders in the totals or excluding them. If non-responders are excluded, the percentages shift slightly as follows. Half (50 per cent) have used copyrighted material at least once in the past five projects. For the Multi-product segment, the incidence is 48 per cent, while the Information/Reference niche incidence is 36 per cent, and among companies in the Website Developer niche, incidence is 50 per cent.

As Table 24 shows, approximately one-third (29 per cent) of projects involved the use of copyrighted material. This was more-or-less consistent across all three segments.

On average, the cost of using copyrighted material represented 8 per cent of the total cost of the project. This percentage was marginally higher among companies in the Multi-product segment (9 per cent) than among companies in the two niche segments (7 per cent on average for companies in the Information/Reference niche and 6 per cent for companies in the Website Developer niche).

Table 24
Use of Copyrighted Material
(Owned by Others)
Base: All Multimedia Producers

	TOTAL (144)	MULTI- PRODUCT (83)	SEGMENT INFO / REF NICHE (16*)	WEBSITE NICHE (41)
	%	%	%	%
Have used copyrighted material at least once in past five projects	45	48	31	44
Percentage of projects (among last 5) using copyrighted material	29	29	27	29
Average percentage of project cost represented by cost of using copyrighted material	8	9	7	6

Caution: Small base.

Note: Once again, these same results can be reflected eliminating non-responders. If the figures are re-percentaged eliminating these non-responses the percentage of producers who report that they have used copyright material at least once in the past five projects increases from 45 per cent to 50 per cent.

Companies were then asked how they went about obtaining copyright clearance.

As Table 25 shows, the vast majority of producers have at one time or another obtained copyright clearance (i.e., only 18 per cent of producers did not state how they obtained their copyright clearance). Approximately three-quarters of Multimedia producers (71 per cent) stated that they had obtained clearance directly from the owner. Only about 10 per cent had enlisted the assistance of a copyright lawyer.

Note: These figures can be re-percentaged eliminating non-responders from the base. The re-percentaged figures are as follows: 86 per cent said they obtained their clearance directly from the owner (up from 71 per cent). The incidence is 90 per cent among both the Multi-product segment as well as the Information/Reference niche. Incidence in the Website Developer niche is 80 per cent.

Table 25
How Copyright Clearance Was Obtained

Base: All Multimedia Producers						
	TOTAL (144)	MULTI- PRODUCT (83)	SEGMENT INFO / REF NICHE (16*)	WEBSITE NICHE (41)		
	%	%	%	%		
Directly	71	75	56	68		
Through a copyright lawyer	10	12	-	12		
Through a consultant	2	1	-	-		
Other	6	2	6	12		
Don't know / not stated	18	17	38	15		

· Caution: Small base.

Revenue contribution by product-focus segments

The types and range of products offered, as well as the associated platforms, reflect the different strategies of the three segments.

Figure 2 Marketing and Distribution by Product-Focus Segment

Rebsile Narrow focus on Most even distribution of Narrow focus on single revenue derived from various Information/Reference source of revenue (Website sources (esp. education, products development) training, entertainment) Widest distribution of Greatest use of third-party Narrowest focus among revenues across platforms platforms (focus is mainly resources Highest average expenditure Greater similarity to Website on online platform) on obtaining copyright Developer niche least use of third-party clearances resources Lowest average expenditure obtaining copyright clearances

Marketing and Distribution

Distribution methods

Traditional direct marketing and sales continues to be a very commonly utilized method of distribution of Multimedia products and services in the Canadian industry, but the most dramatic change since 1995 has been the adoption of online marketing and distribution. As might be expected, companies in the Website Developer niche are very likely to use this method of marketing and distribution (i.e., utilized by 85 per cent of publishers in the Website Developer niche). But online marketing and distribution is also very popular with Multimedia companies in the Multi-product segment (68 per cent of publishers in this segment). The only segment of publishers which lags behind in the utilization of this channel is the Information/Reference niche (44 per cent of publishers in this segment).

Table 26.

Methods of Distribution Used

Base: All publishers

base. All publishers					
	1995	1999			
	TOTAL	TOTAL			
	(131)	(102)			
	%	%			
Direct sales	71	*			
Traditional direct marketing / sales		66			
Retail distribution	31	27			
Direct Mail / Catalogue	28				
Online	22	71			
OEM bundling	14	13			
Other	24	10			
Don't know/Refused	10	5			

^{*} Categories were reclassified slightly in 1999.

Promotion media

Publishers were asked about the various promotional media they utilize. Almost three-quarters (74 per cent) indicated that they use Internet advertising. This high percentage is not surprising considering the rapid growth of Internet penetration among Canadians, with respect to both personal usage as well as business usage. (As of October 1999, 49 per cent of Canadians aged twelve and over are online, according to the ACNielsen report *Internet Planner 2000*). Other techniques which are widely used include trade shows (used by 69 per cent of publishers) and specialized magazines (used by 55 per cent of publishers).

These 'top three' show that the Multimedia industry is focused on reaching relatively targeted markets, although the Internet is sometimes described as a 'mass market' vehicle because of its very extensive reach.

Table 27

Media used to promote products

Base: All publishers

	TOTAL (102)
	%
Internet advertising	74
Trade shows	69
Specialized magazines	55
Newspapers	17
Television	16
Other	24
None of the above	6
Refused/don't know	1

Source of retail sales

The pattern of retail distribution is very widely dispersed across a number of different kinds of outlets. No single type of outlet is dominant in the sense that a majority of publishers use the channel. This may indicate that the industry is still struggling to find a good fit with appropriate channels of distribution.

On average, companies which distribute through bulk distributors and warehouses earn over half their income through this source.

Table 28
Source of Retail Sales
Base: All publishers

	COMPANIES UTILIZING EACH CHANNEL (102)	AVERAC H % OF REVENU	
	%	Base	Pct.
Book stores	14	(14)	37%
Bulk distributors/ warehouses	12	(12)	57%
Consumer electronics stores	9	(9)	22%
Department stores	6	(6)	22%
Music stores	4	(4)	9%
Other retail outlets	24	(24)	85%
Direct sales	9	(9)	9%
Educational distributors	9	(9)	7%
Online	5	(5)	5%
Software stores	3	(3)	2%
Internal marketing	3	(3)	2%

Average percentage of revenue generated among Multimedia companies which utilize this source. Note that the figures in the column "Average Percentage of Revenue" reflect the percentage of total revenue derived from each retail outlet listed by the number of companies which make use of the particular type of outlet in question.

Marketing and distribution issues by product-focus segments

Marketing and distribution methods and practice vary widely across industry segments. All segments use traditional methods, but the Multi-product segment is much more likely to make use of retail channels. The Information / Reference niche is much more likely to make use of mass market advertising vehicles such as television or newspapers, and the Website Developer niche is the segment most focused on the Internet.

Figure 3 Marketing and Distribution by Product-Focus Segment

Most frequently used method of distribution is online (used by 68 per cent), followed by traditional methods (63 per

 More than twice as likely to use retail channel (32 per cent of companies in this segment)

cent)

 Segment most likely to make use of trade shows (79 per cent)

Julia Reterence Siehe

- Most frequently used method of distribution is traditional (used by 67 per cent), followed by online (44 per cent)
- Segment most likely to use television (33 per cent) and newspapers (33 per cent)

Michally

- Most frequently used method of distribution is online (used by 85 per cent), followed by traditional (65 per cent)
- Segment most likely to use Internet advertising (85 per cent)

Human Resources

In order to profile the human resources within the industry, a series of questions was asked about salaries, hiring trends and training.

It should be noted that those completing this survey may not necessarily have had direct access to their company's personnel files. It is possible, therefore, that responses to questions such as salary ranges could be based upon 'best guess' estimates rather than actual salary data. Nonetheless, this human resources information is intended to provide as accurate an industry description as possible by drawing from the informed judgment of senior industry participants.

Pay ranges for salaried employees

Survey respondents were asked to identify salary ranges for three specified categories of employees:

- 1. Management, and sales;
- 2. Creative, authors, writers and designers, and;
- 3. Technical and programmers.

Within each of these categories, information was collected for both salaried and hourly employees. A *top end* and *bottom end* salary range was then specified. Tables 29 and 30 on the following pages provide these data.

Given the Multimedia industry's diversity by company size and type it is not surprising that salaries fall into several broad ranges. Management and sales salaries range from over \$65,000 annually at the top end (47 per cent of companies) down to under \$35,000 at the bottom end with an incidence of 49 per cent.

Table 29

1999 Salary Ranges

Base: Companies with salaried employees

	MC	GMT/				
	/SA	LES	CREATIVE		TECHNICA	
	TOP	BOT	TOP	BOT	TOP	BOT
	(124)	(124)	(108)	(108)	(111)	(111)
	%	%	%	%	%	%
\$65,000 and over	47	5	18	3	26	2
\$35,000 to \$64,999	34	36	57	21	47	30
Under \$35,000	15	49	20	67	23	61
Refused	4	10	5	9	5	7

Remuneration for the two other employment categories of creative and technical staff ranges lower than management. At the top end, these salaries tend to fall into the \$35,000 to less than \$65,000 range for both creative (57 per cent in this range) and technical staff (47 per cent in this range).

A greater proportion of the bottom end salaries for the creative and technical staff fall into the under \$35,000 range (67 per cent and 61 per cent respectively) for 1999 compared to 1995.

Large companies are more likely to have employees with salaries of \$65,000 or more.

Note: There were a number of non-responders to this question. If the figures are re-percentaged to remove non-responders, the percentages in the bottom end categories for creative and technical staff are 74 per cent and 66 per cent respectively.

In 1995, a majority of companies (54 per cent) reported that management and admin salaries averaged \$65,000 and over. This has changed dramatically since, in the 1999 survey, nearly two-thirds of companies (65 per cent) reported that management and administration salaries averaged under \$35,000. This may be the result of growth in these companies, including the addition of less-senior administration personnel to handle administrative functions which, in the formative stages of many firms, were handled by senior management staff.

The same 'downward' shift also occurred among creative staff and technical staff. It may be that as these firms expand, they are adding junior level staff.

Table 30

1995 Salary Ranges

Base: Companies with salaried employees

(excluding companies which declined to answer these questions)

	MGMT/ ADMIN/SALES		CREATIVE		TECHNICAL	
	TOP (145)	BOT (129)	TOP (114)	BOT (101)	TOP (111)	BOT (95)
	%	%	%	%	%	%
\$65,000 and over	54	3	21	_	11	-
\$35,000 to \$64,999	36	32	65	20	71	22
Under \$35,000	11	65	15	80	19	78

Note: Some columns sum to 101% due to rounding.

Hourly Rates

While employees in the management category tend not to be compensated on an hourly-rate basis, creative and technical personnel in the Multimedia industry are compensated at rates ranging from over \$80 per hour at the top end for about one-fifth to one-third down to under \$35 per hour at the bottom end for about half to three-quarters.

Table 31

1999 Hourly Rates

Base: Companies with employees compensated on an hourly rate

	MC	GMT/				
	ADMI	N/SALES	CREA	TIVE	TECHNICAI	
	TOP (18*)	BOT (18*)	TOP (31*)	BOT (31*)	TOP (29*)	BOT (29*)
	%	%	%	%	%	%
Over \$80 per hour	28	0	23	0	31	0
Between \$35 and \$80/hr	28	22	36	16	28	35
Under \$35 per hour	45	72	42	71	41	55
Refused	0	6	0	13	0	10

. Caution: Small base.

The 1999 data shows a more pronounced polarization of salaries for hourly-rate employees than in 1995. Compared to 1995, there has been a general increase in the proportion of responses that fall in the under \$35 per hour range.

Note: In some questions, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. There were a number of non-responses to the question about bottom ranges for creatives and for technical personnel reflected in Table 31 above. If the figures are re-percentaged eliminating these non-responses the percentage of companies compensating creatives at a rate under \$35 per hour increases to 82 per cent, and 62 per cent for technical personnel.

Table 32

1995 Hourly Rates

Base: Companies with employees compensated on an hourly rate

		GMT/				
	ADMI	V/SALES	CREA	TIVE	TECHNICA	
	TOP	BOT	TOP	BOT	TOP	BOT
	(31*)	(31*)	(57)	(57)	(55)	(55)
	%	%	%	%	%	%
Over \$80 per hour	20	6	19	4	18	2
Between \$35 and \$80/hr	42	19	44	23	44	18
Under \$35 per hour	35	52	35	61	33	65
Refused	3	23	2	12	5	15

[·] Caution: Small base.

Hours Worked

Table 33 below indicates that, on average, individuals who are employed in management / sales / administrative positions work the most hours (46 hours on average) per week. Employees in medium-size companies tend to work the most hours per week in all three job categories.

Table 33

Average Number of Hours Worked per Week

Base: All companies

		COMPANY SIZE			
	TOTAL (152**)	LESS THAN 10 (77)	10-30 (52)	MORE THAN 30 (19*)	
	HRS	HRS	HRS	HRS	
Management/sales	46	44	48	47	
Creative (authors, designers)	41	38	45	42	
Technical/programmers	40	35	44	44	

[·] Caution: Small base.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Management and sales employees who are in firms with more than 10 employees, or in companies with a revenue of \$1 million or more are more likely to work between 45 and 54 hours.

Similarly, employees in creative and technical capacities who are in firms with a revenue of \$1 million or more are more likely to have worked between 45 and 54 hours a week.

Functions

Participating companies were asked to describe the extent to which jobs involve performing a single role or, conversely, involve performing a combination of roles.

Jobs involving a combination of more than one function top the list with over fifty per cent (51 per cent) stating their employees perform combined functions. Specifically, one-third of the respondents stated that their employees perform both creative and technical functions. This is especially more likely in small companies, where 43 per cent of the employees performing combined creative and technical functions.

Table 34

Average Percentage of Employees Performing Different Types of Functions

Base: All companies

		IPANY	SIZE	
	TOTAL (152***)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)
	%	%	%	%
Combined creative and technical	33	43	25	17
Combined management/sales and others	21	23	20	18
Solely technical functions	14	8	20	22
Solely creative functions	12	8	16	19
Solely management and sales	11	7	15	18
Other	4	4	**	10

Caution: Small base.

^{* *} Less than 1/2 of 1 per cent

^{***} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

One out of five perform combined management/sales and other functions. This proportion is also higher for small companies, suggesting that limitations on resources tend to force employees to become "experts" in more than one area.

In contrast, large companies are more likely to have their employees perform one particular task, especially in the technical functions. In large companies, 22 per cent of employees perform solely in a technical capacity.

Education & Training

Survey respondents were asked to indicate the number of employees in their organization who have achieved a particular educational diploma or degree by job type. The figures in Table 35 on the following page indicate, for example, that among all management and sales staff, 1.0 per cent have a diploma in graphic design. This is in contrast to creatives, 23.0 per cent of whom have such a diploma. Table 35 also shows that one third (32.8 per cent) of management and sales staff have a degree in business, as opposed to 1.3 per cent of creatives who hold this degree. As well, Table 35 indicates that, in total, 40.7 per cent of those employed in creative functions possess a diploma of some sort.

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Table 35

Percentage of Employees Who Have Attained Each Educational Level, by Job Type

Base: All Companies

MGMT AND CREA-TECH/ SALES TIVE **PROG** (522)*(474)**(401)***% % % Diploma Programs (NET) 14.0 40.7 36.2 1.0 2.7 Graphic design 23.0 Graphics Arts Technologist 1.3 9.5 4.2 Programmer 1.5 2.3 25.9 Other diploma 10.2 5.9 3.2 University Degrees (NET) 76.6 53.8 56.1 1.3 2.1 15.0 Programmer 2.5 Engineer 6.1 7.0 4.2 22.9 Computer Science 2.1 1.3 Business 32.8 1.0 Graphics/Design 1.7 20.3 1.7 8.5 Other degree 30.5 25.5 9.4 7.7 No degree or diploma 5.5

Note: It should be remembered that the person answering the survey may not have had access to each employee's educational background.

^{*} In total, there were 837 people employees in management and sales among the 148 companies that reported the size of their staff. Not all of these companies reported the number of diplomas and degrees. Among the companies which reported the number of diplomas and degrees, there were a total of 522 management and sales. The percentages reflected in Table 35 are based on 522 management & sales personnel.

^{**} In total, there were 761 people employees in creative functions among the 148 companies that reported the size of their staff. Not all of these companies reported the number of diplomas and degrees. Among the companies which reported the number of diplomas and degrees, there were a total of 474 creative personnel. The percentages reflected in Table 35 are based on 474 creative personnel.

Table 35

Percentage of Employees Who Have Attained Each Educational Level, by Job Type

Base: All Companies

	MGMT AND SALES (522)*	CREA- TIVE (474)**	TECH/ PROG (401)***
	%	%	%
Diploma Programs (NET)	14.0	40.7	36.2
Graphic design	1.0	23.0	2.7
Graphics Arts Technologist	1.3	9.5	4.2
Programmer	1.5	2.3	25.9
Other diploma	10.2	5.9	3.2
University Degrees (NET)	76.6	53.8	56.1
Programmer	1.3	2.1	15.0
Engineer	6.1	2.5	7.0
Computer Science	4.2	2.1	22.9
Business	32.8	1.3	1.0
Graphics/Design	1.7	20.3	1.7
Other degree	30.5	25.5	8.5
No degree or diploma	9.4	5.5	7.7

Note: It should be remembered that the person answering the survey may not have had access to each employee's educational background.

^{*} In total, there were 837 people employees in management and sales among the 148 companies that reported the size of their staff. Not all of these companies reported the number of diplomas and degrees. Among the companies which reported the number of diplomas and degrees, there were a total of 522 management and sales. The percentages reflected in Table 35 are based on 522 management & sales personnel.

^{**} In total, there were 761 people employees in creative functions among the 148 companies that reported the size of their staff. Not all of these companies reported the number of diplomas and degrees. Among the companies which reported the number of diplomas and degrees, there were a total of 474 creative personnel. The percentages reflected in Table 35 are based on 474 creative personnel.

*** In total, there were 609 people employees in technical/programmer functions among the 148 companies that reported the size of their staff. Not all of these companies reported the number of diplomas and degrees. Among the companies which reported the number of diplomas and degrees, there were a total of 401 technical/programmer personnel. The percentages reflected in Table 35 are based on 401 technical/programmer personnel.

In general, Table 35 indicates that there are on average more employees with university degrees than diploma programs. As well, the highest number of employees who have a business degree work in management / sales positions. Similarly, respondents with a computer science degree tend to be employed in technical / programming occupations, whereas respondents who possess a graphics / design degree tend to hold creative functions. The results also indicate that the management / sales group has the highest average number of respondents who indicated they do not possess a degree or a diploma. Although the number of these graduates appears to be relatively low, a possible explanation might be that some employees over the course of time have essentially taught themselves the necessary skills in order to move into a particular position within the company and have, therefore, never obtained a diploma or degree from an accredited institution or program.

Furthermore, it is possible that employers might not know each employee's particular educational background or the employer is simply more concerned with the actual skills an employee has and what the employee is able to produce rather than the employee having a particular diploma or degree.

Retention

On average, permanent management employees remain with a particular organization approximately for three years, especially in companies with more than 10 employees, non-dedicated Multimedia companies, and companies whose revenue is \$1 million or more.

Table 36

Average Length of Employment (in Months)

Base: All companies

		COMPANY SIZE					
		LESS		MORE			
		THAN		THAN			
	TOTAL	10	10-30	30			
	(152**)	(77)	(52)	(19*)			
	MO.	MO.	MO.	MO.			
Permanent employees							
Management/sales	40	42	40	37			
Creative (authors, designers)	27	21	32	30			
Technical/programmers	25	17	31	32			
Contract employees							
Management/sales	8	8	7	11			
Creative (authors, designers)	9	9	8	10			
Technical/programmers	8	9	8	8			

^{*} Caution: Small base.

Larger companies do not necessarily have higher retention levels than small companies for permanent employees. Contract employees remain on average less than one year, regardless of company size or job category.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Table 37

Average Length of Employment (in Months)

Base: All companies

	MULTIMEDIA DEDICATED		SE	SEGMENT		
	YES (71)	NO (72)	MULTI- PRODUCT (83)	INFO/ REF. (16*)	WEBSITE DEV. (41*)	
	MO.	MO.	MO.	MO.	MO.	
PERMANENT EMPLOYEES						
Management/Sales	32	47	35	66	42	
Creative (authors,						
designers)	23	30	26	26	28	
Technical/programmers	24	27	24	20	27	
CONTRACT EMPLOYEES						
Management/Sales	9	6	6	12	10	
Creative (authors,						
designers)	11	7	9	11	7	
Technical/programmers	9	8	8	6	9	

^{*} Caution: Small base.

Among respondents in management/sales occupations, permanent employees in the Information/Reference niche are retained on average the longest (66 months), while those who are employed in technical / programming occupations, specifically in the Information/Reference niche are retained, on average, the shortest period of time among permanent employees, with an average of only 20 months.

Permanent employees who are part of non-dedicated Multimedia companies in management/sales occupations are retained for a longer period on average compared to companies who are Multimedia-dedicated (47 months versus 32 months respectively).

Retention

On average, permanent management employees remain with a particular organization approximately for three years, especially in companies with more than 10 employees, non-dedicated Multimedia companies, and companies whose revenue is \$1 million or more.

Table 36

Average Length of Employment (in Months)

Base: All companies

		COMPANY SIZ					
	TOTAL (152**)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)			
	MO.	MO.	MO.	MO.			
Permanent employees							
Management/sales	40	42	40	37			
Creative (authors, designers)	27	21	32	30			
Technical/programmers	25	17	31	32			
Contract employees							
Management/sales	8	8	7	11			
Creative (authors, designers)	9	9	8	10			
Technical/programmers	8	9	8	8			

[·] Caution: Small base.

Larger companies do not necessarily have higher retention levels than small companies for permanent employees. Contract employees remain on average less than one year, regardless of company size or job category.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Table 37

Average Length of Employment (in Months)

Base: All companies

	MULTI		SE		
	YES (71)	NO (72)	MULTI- PRODUCT (83)	INFO/ REF. (16*)	WEBSITE DEV. (41*)
	MO.	MO.	MO.	MO.	MO.
PERMANENT EMPLOYEES					
Management/Sales	32	47	35	66	42
Creative (authors,					
designers)	23	30	26	26	28
Technical/programmers	24	27	24	20	27
CONTRACT EMPLOYEES					
Management/Sales	9	6	6	12	10
Creative (authors,					
designers)	11	7	9	11	7
Technical/programmers	9	8	8	6	9

[.] Caution: Small base.

Among respondents in management/sales occupations, permanent employees in the Information/Reference niche are retained on average the longest (66 months), while those who are employed in technical / programming occupations, specifically in the Information/Reference niche are retained, on average, the shortest period of time among permanent employees, with an average of only 20 months.

Permanent employees who are part of non-dedicated Multimedia companies in management/sales occupations are retained for a longer period on average compared to companies who are Multimedia-dedicated (47 months versus 32 months respectively).

Hiring expectations

Participating companies were asked about the number and types of anticipated hires during 1999. These questions were divided along the three employment categories (i.e., management, creative and technical). Respondents were also asked to indicate how difficult it would be to find the ideal candidate.

Table 38 1999 Hiring Plans

Base: For each row, the base is all companies which indicated that they have made a decision either to hire personnel in that category or not. Some companies failed to answer, presumably because no decision has yet been made. For the record, the bases are: Mgmt/admin/sales is (131), creatives (135) and technical (140).

	PCT. PLANNING TO HIRE	AVG NUMBER EXPECTED TO HIRE	AVG NO. YRS EXPER. IDEAL CANDIDATE	PCT. TO HIRE PERM- ANENT	PCT. TO HIRE CONTRACT	PCT. TO HIRE BOTH	PCT. SAID HARD TO FIND CANDIDATE
Mgmt/admin/sales	70	2.0	5.2	74	21	2	30
Creative	76	2.9	3.5	42	47	10	27
Technical	85	2.8	3.1	44	39	12	35

The Multimedia industry appears to be gathering momentum. The evidence for this is the increase in the proportions of companies who are planning to hire employees in all three categories in 1999 vs. 1995 (compare Table 38 and Table 39). Among companies who provided an answer, 70 per cent are planning to hire employees in management/administration/sales functions, 76 per cent are planning to hire creative employees, and 85 per cent are planning to hire technical staff. Participants in the 1995 study were more likely than participants in the 1999 study to state that it is difficult to find the ideal candidate, especially in the case of technical employees. In other words, more recently, fewer Multimedia companies are having trouble finding the candidates they are looking for.

Table 39 1995 Hiring Plans

Base: All companies

	PCT. PLANNING TO HIRE	AVG NUMBER EXPECTED TO HIRE		PCT. TO HIRE PERM- ANENT	PCT. TO HIRE CONTRACT	PCT. TO HIRE BOTH	PCT. SAID HARD TO FIND CANDIDATE
Mgmt/admin/sales	44	2.3	4.9	54	32	10	32
Creative	59	3.1	4.2	29	51	18	32
Technical	62	2.4	4.0	30	52	16	46

Training

Respondents were also asked whether their company provides training, the type of training, the type of employees who participate in training, as well as the level of satisfaction with different training modes. Approximately two-thirds (68 per cent) of the companies surveyed report that they provide some kind of training, either formal or informal.

Table 40
Training
Base: All companies

		CON	IPANY	SIZE
	TOTAL (152**)	LESS THAN 10 (77)	10-30 (52)	MORE THAN 30 (19*)
	%	%	%	%
Provide training	68	51	85	100
Provide informal training	85	90	82	90
Provide formal training	59	39	68	79
Do not provide training	29	46	14	-
Don't know/Refused	3	4	2	-

^{*} Caution: Small base.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.



Table 39 1995 Hiring Plans

Base: All companies

	PCT. PLANNING TO HIRE	AVG NUMBER EXPECTED TO HIRE	AVG NO. YRS EXPER. IDEAL CANDIDATE	PCT. TO HIRE PERM- ANENT	PCT. TO HIRE CONTRACT	PCT. TO HIRE BOTH	PCT. SAID HARD TO FIND CANDIDATE
Mgmt/admin/sales	44	2.3	4.9	54	32	10	32
Creative	59	3.1	4.2	29	51	18	32
Technical	62	2.4	4.0	30	52	16	46

Training

Respondents were also asked whether their company provides training, the type of training, the type of employees who participate in training, as well as the level of satisfaction with different training modes. Approximately two-thirds (68 per cent) of the companies surveyed report that they provide some kind of training, either formal or informal.

Table 40
Training
Base: All companies

		CON	SIZE	
		LESS THAN		MORE THAN
	TOTAL (152**)	10 (77)	10–30 (52)	30 (19*)
	%	%	%	%
Provide training	68	51	85	100
Provide informal training	85	90	82	90
Provide formal training	59	39	68	79
Do not provide training	29	46	14	-
Don't know/Refused	3	4	2	-

^{*} Caution: Small base.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Small companies (less than 10 employees) are less likely to provide training than companies with 10 or more employees, especially in the area of formal training. All companies with more than 30 employees report providing some form of training.

Permanent employees are three times more likely than contract employees to have received some form of training in the past 12 months.

Table 41

Average Proportion of Employees who received training in the past 12 months

Base: Companies who provide training

		CON	SIZE	
	TOTAL (103)	LESS THAN 10 (39*)	10–30 (44*)	MORE THAN 30 (19*)
	%	%	%	%
Permanent employees	60	65	60	52
Contract employees	21	28	21	4

* Caution: Small base.

Only 4 per cent of contract employees within larger companies (more than 30 employees) have received some form of training in the past 12 months compared to 52 per cent of permanent employees working for large companies. This might suggest that contract employees are hired on the basis that they already possess a specific expertise, and require little or no training.

Of the companies who provide training, the revenue allocated to formal training can be characterized as moderate and consistent regionally as well as across company type. Small and medium sized companies are twice as likely to hire employees directly from a training or educational institution than larger companies.

Table 42
Revenue Allocated to Formal Training in 1998/

Hires from Training or Educational Institution

Base: Companies who provide training (formal or otherwise)

		COMPANY SIZE		
	TOTAL (103)	LESS THAN 10 (39*)	10–30 (44*)	MORE THAN 30 (19*)
	%	%	%	%
Revenue allocated to formal training	4	3	5	4
Employees hired directly from a training or educational institution	21	21	26	11

* Caution: Small base.

The percentage of revenue spent on training is consistent regardless of company size. This is true even for small companies who are less likely to engage in formal training. The issue with training would appear to be whether the company provides training or not, as opposed to having the necessary funds to engage in training. A possible reason as to why small companies do not engage in as much training as larger companies might be explained by the fact that small companies hire more employees directly from a formal training program or educational institution. These are employees who presumably could be expected already to possess the necessary skills.

Satisfaction with Training

With respect to their satisfaction with the adequacy of training, study participants, whose company provides training, rated public educational institutions such as community colleges most highly.

Table 43

Satisfaction with Adequacy of Training — Top-2-Box scores

Base: Companies who provide training (formal or otherwise)

		IPANY	SIZE		
	TOTAL (103)	LESS THAN 10 10–30 (39*) (44*)		MORE THAN 30 (19*)	
	%	%	%	%	
Public educational institutions					
(community colleges)	43	28	57	42	
Private training institutions	29	18	32	47	
Industry specific or related seminars					
(not organized by our company)	27	21	32	32	
Training consultants	15	18	14	11	
Other	1	-	-	5	

Caution: Small base.

In general, medium and large organizations tended to be more satisfied overall with the adequacy of training provided by each of the above methods, with the exception of training provided by consultants. Training consultants were highly favoured by small organizations.

^{**} Note: This column represents the companies which provide training (formal or otherwise). The sum of the number of companies reflected in the "Company Size" columns is smaller than this base because not all companies indicated their size.

The following chart summarizes various human resources issues relating to hiring, training and salaries by product-focus segment.

Figure 4 Human Resources by Product-Focus Segment

Multi-product Segment

- In 1999, 55 per cent expecting to hire management personnel, 71 per cent expecting to hire creatives, 81 per cent expecting to hire technical personnel
- 68 per cent provide training
- Salary ranges more-or-less in line with industry averages
- Length of work week more-orless in line with industry averages

Into Referênce Niche

- In 1999, 70 per cent expecting to hire management personnel, 69 per cent expecting to hire creatives, 62 per cent expecting to hire technical personnel
- 56 per cent provide training
- Range of management salaries tends to be marginally higher on average
- Average length of work week for creatives is longer than in other segments

Welshie

- In 1999, 75 per cent expecting to hire management personnel, 68 per cent expecting to hire creatives, 90 per cent expecting to hire technical personnel
- 76 per cent provide training
- Salary ranges more-or-less in line with industry averages
- Length of work week moreor-less in line with industry averages

Finance & Investment

Research studies among Canadian businesses in general identify access to financing as a critical issue. The Multimedia industry survey included several questions on this topic. Respondents were asked about their domestic and international financing activities as well as sources of financing, both past and future.

Table 44

Average Multimedia Project Cost Allocation

Base: Multimedia Producers and Publishers

		SEC		
	TOTAL (152**)	MULTI- PRODUCT (83)	INFO/ REF. (16*)	WEBSITE DEV. (41)
	%	%	%	%
Creation/Development	75	73	69	86
Marketing & Distribution	15	16	15	9
Manufacturing & Packaging	6	7	4	4
Other	2	2	6	1

^{*} Caution: Small base.

While creation and development is the activity which consumes the largest percentage of allocated time, companies primarily engaged in website development are much more focused on this activity than companies in the other segments.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Segments" columns is smaller than the full base because not all companies could be classified as being clearly in one segment rather than other segments.

Sources of Financing

A total of 61 per cent of companies surveyed indicated they have used domestic financing, this proportion increases to three-quarters for medium-size companies.

Table 45
Companies who Have Used External Financing

		COM	IPANY	SIZE	
	TOTAL (152**)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)	
	%	%	%	%	
Domestic financing	61	53	75	53	
International financing	6	3	6	21	

^{*} Caution: Small base.

Domestic financing is more likely to be used by medium-size companies, companies who are Multimedia-dedicated and those whose major source of revenue is derived from education, training, and entertainment. On the other hand, companies in the Website Developer niche are less likely to use domestic financing.

Small companies (less than 10 employees) are less likely to use international financing sources. Note: If non-responders are eliminated from the base, the percentage of large companies that have used international financing is 27 per cent.

There is some indication that medium-sized Multimedia companies were just slightly more likely to have accessed financing than either smaller firms (i.e., those with fewer than 10 employees) or larger entities (over thirty employees). It may be that smaller start-ups are less likely to require or be accepted for financing, and that larger firms are better able to source funding internally.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

When asked about sources of financing ever used, respondents listed a variety of sources. Table 46 below provides details for all Multimedia firms surveyed and a breakdown by size of company.

Table 46
1999 Source of Financing Used

Base: Companies using financing **COMPANY SIZE** LESS MORE THAN THAN TOTAL 10 10-30 30 (41*)(39*)(10*)(92)% % % % Banks 59 69 90 65 Trust companies 3 5 10 19 12 21 40 Leasing company Government 69 66 66 60 Venture capital firms 15 5 15 60 Personal (including friends and relatives) 65 67 66 60 Informal investors 33 29 33 50 Public offerings 3 8 7 5 10 Other

Among firms in total, the sources which top the list are government, followed closely by banks and personal sources. The government is mentioned by two-thirds of respondents as a source of funding, a 24 per cent increase over 1995. Banks and personal sources are also mentioned by approximately two-thirds (65 per cent) as a funding source. The percentage of companies which obtained funding from leasing companies and banks declined modestly in 1999 compared to 1995.

^{*} Caution: Small base.

^{**} Note: This column represents all companies using financing. The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Multimedia-dedicated companies are more likely to make use of informal investors, whereas companies whose revenue is primarily derived from information / reference are more likely to claim leasing companies as a method of financing. Large companies (more than 30) have a higher tendency to use venture capital firms.

In 1995, banks were at the top of the list in terms of source of funding, with over sevenin-ten (71 per cent) of respondents claiming to use financial intermediaries as sources of funding.

Table 47

1995 Source of Financing Used
Base: Companies using financing

		COM	IPANY	SIZE
	TOTAL (135)	LESS THAN 10 (61)	10–30 (45*)	MORE THAN 30 (19*)
	%	%	%	%
Banks	71	66	76	90
Trust companies	3	3	2	5
Leasing company	28	26	36	32
Government	42	46	44	26
Venture capital firms	12	5	20	21
Personal	61	67	69	32
Informal investors	28	18	36	36

[·] Caution: Small base.

Future Financing Expectations

All of the firms surveyed were asked whether or not they intended to seek outside financing within the next twelve months. The majority of companies (60 per cent) stated they are planning to seek outside financing in the next 12 months.

Table 48

Companies planning to seek outside financing in the next 12 months

Base: All companies

		COM	IPANY	SIZE
	TOTAL (152**)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)
	%	%	%	%
Yes	60	57	62	63
No	38	39	37	37
Don't Know/Refused	3	4	2	

[·] Caution: Small base.

In 1995 just under half of Multimedia companies (49 per cent) stated that they intended to seek financing within the coming year.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

Table 49

Companies planning to seek outside financing in the next 12 months

Base: All companies

	MULTIMEDIA		SE		
	DEDICATEDMULTI- YES NO		INFO/ PRODUCT	WEBSITE REF.	DEV.
	(71)	(72)	(83)	(16*)	(41*)
	%	%	%	%	%
Yes	62	57	63	69	51
No	34	42	36	31	42
Don't know/Refused	4	1	1		7

* Caution: Small base.

Companies in the Information/Reference niche are the most likely to seek outside financing in the next 12 months (6 per cent). By comparison, Website Developers are less likely to seek outside financing in the next 12 months (51 per cent).

One quarter of companies cited government as the most likely source of financing within the next 12 months.

Table 50

Most Likely Source of Financing in the Next 12 Months

Base: Companies seeking outside financing in the next 12 months

		COM	IPANY	SIZE	
	TOTAL (91)	LESS THAN 10 10-30 (44*) (32*)		MORE THAN 30 (12*)	
	%	%	%	%	
Government programs	25	34	13	17	
Banks	17	11	19	33	
Informal investors	13	11	19	8	
Venture capital firms	11	7	13	25	
Personal (friends, relatives)	7	11	-	-	
Public offerings	6	5	6	8	
Leasing companies	2	2	3	-	
Not stated	20	18	28	8	

Caution: Small base.

Banks are more likely to be chosen by large companies, companies in the Website Developer niche, and companies with a revenue of \$1 million or more.

Government programs on the other hand are more likely to be chosen by companies who are new to the Multimedia industry, and companies whose revenue is less than \$250,000.

Large firms with more than 30 employees are more likely to use venture capital firms, with 25 per cent indicating it as a source of financing in the next 12 months.

Note: If these figures are re-percentaged to eliminate non-responders the figures are as follows: the incidence of citing government for the total group is 31 per cent. Government is cited buy 43% of small firms. Among medium-size companies, 25 per cent are likely to use banks, and 25 per cent are most likely to use informal investors.

Table 50 above also highlights the fact that 1 out of 5 companies did not provide us with an answer at this point as to which source of financing they would utilize.

Of the firms who will seek outside financing within the next 12 months, the amount of financing being sought varies. Nearly three-in-ten firms (28 per cent) will seek \$1 million or more in financing during 1999, an increase of 9 per cent over 1995.

Table 51

Amount of Financing Will Seek
Over The Next 12 Months
Base: Companies requiring financing

	1995 TOTAL (99)	1999 TOTAL (91)
	%	%
Less than \$500,000	55	56
\$500,000 to \$999,999	21	17
\$1 million to \$4.9 million	15	20
\$5 million or more	4	8
Refused/Don't know	5	-
Average amount sought (\$ million)		1.57

In 1999, approximately half (56 per cent) of firms planning to seek financing reported that they would be seeking under a half million dollars. This is virtually identical to 1995 (55 per cent).

Smaller firms seeking financing appear to be more likely to report having a need for amounts below half a million dollars. Three-quarters (77 per cent) of smaller companies intending to seek financing in 1999 fall into this range. By comparison, larger companies are more likely to report seeking amounts in excess of one million dollars (by 50 per cent of larger firms).

Financing usage and expectations by Product-Focus Segment

The chart below provides a detailed description of financing usage and requirements among the product-focus segments noted earlier.

Figure 5 Finance and Investment by Product-Focus Segment

Multi-product Segment 53 per cent are profitable 77 per cent use external financing (7 per cent use international financing)

- 63 per cent plan to seek financing within the next 12 months
- Average amount of financing sought: \$1.65 million
- Most likely choices as sources of financing: 1) public offering, 2) leasing company, 3) trust company. This is the segment most likely to approach a leasing company

Into Reference Siehe-

- 31 per cent are profitable
- 69 per cent use external financing (6 per cent use international financing)
- 69 per cent plan to seek financing within the next 12 months
- Average amount of financing sought: \$2.25 million
- Most likely sources of financing: 1) trust company, 2) bank, 3) public offering. This is the segment most likely to approach a bank or a trust company

Website.

- 66 per cent are profitable
- Only 46 per cent use external financing (2 per cent use international financing)
- 51 per cent plan to seek financing within the next 12 months
- Average amount of financing sought: \$1.16 million
- Most likely sources of financing: 1) public offering, 2) trust company,
 3) leasing company. This is the segment most likely to raise capital through a public offering

Strategic Alliances

Recent participation

Survey respondents were asked a series of questions about strategic partnerships, alliances or joint ventures. Specifically, all companies were asked whether they engage in strategic alliances, the main purpose of these alliances, industry sectors with which companies would be interested in forming partnerships, as well as the importance of certain factors in assessing a potential strategic alliance partner. Table 50 below shows that 40 per cent of companies surveyed have developed international strategic alliances or joint ventures. This suggests that although the Multimedia industry is still relatively young, there is a clear desire for aggressive growth.

Table 52

Companies which Have Developed Strategic Alliances

Base: All companies

		COM	SIZE	
	TOTAL (152**)	LESS THAN 10 (77)	10–30 (52)	MORE THAN 30 (19*)
	%	%	%	%
Domestic alliances	55	55	62	47
International alliances	40	26	50	63

^{*} Caution: Small base.

Large companies and companies with a revenue of \$1 million or more are especially likely to take advantage of international alliances.

^{**} Note: This column represents the full base (all companies which participated in the study). The sum of the number of companies reflected in the "Company Size" columns is smaller than the full base because not all companies indicated their size.

In 1999 over two-thirds (69 per cent) of firms surveyed indicated that they had already established strategic alliances whether domestic or international. This is approximately the same percentage of firms in 1995 (73 per cent).

Note: In some questions, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. There were a number of non-responses to the question reflected in Table 52 above. If the figures are repercentaged, eliminating these non-responses, the percentage of companies citing domestic alliances increases to 59 per cent, and the percentage citing international alliances increases to 43 per cent.

Multimedia-dedicated companies are marginally more likely to have developed domestic alliances (59 per cent); among companies who provided an answer, the proportion increases to 66 per cent. More than half (57 per cent) of companies in the Multi-product segment indicated they had developed domestic alliances (among companies who provided an answer, the proportion increases to 62 per cent).

Table 53

Companies which Have Developed Strategic Alliances

Base: All companies

	MULTIN	MULTIMEDIA		GMENTS	
	DEDICATEDMULTI-		INFO/	WEBSITE	
	YES	NO	PRODUCT	REF.	DEV.
	(71)	(72)	(83)	(16*)	(41*)
	%	%	%	%	%
Domestic alliances	59	54	57	50	54
International alliances	44	36	45	38	32

Caution: Small base.

Main purpose of alliances

While the purpose of forming alliances might have been associated with a number of business objectives, study participants were asked about the *primary* purpose of such ventures. Table 52 below provides a profile among the companies engaged in alliances.

Table 54

Main Purpose for Strategic Alliance

Base: Companies having created strategic alliances

	INDUSTRY ROLE				
	TOTAL	PRODUCTION	OTHER		
		ONLY			
	(105)	(31*)	(73)		
	%	%	%		
Title development	34	29	37		
Marketing and/or sales	33	36	33		
Access to technology	25	29	22		
Content provision/access	13	10	15		
Title publishing or distribution	10	10	10		
Reseller or system integration	5	10	3		
Other	2	09	3		

^{*} Caution: Small base.

Note: Although respondents were specifically asked the <u>one</u> main purpose of their most recent strategic alliance, some indicated that there were two equally important purposes, and reported both.

Among those with alliances in place, approximately one-third (34 per cent) mentioned "title development". This is approximately the same as in 1995 (31 per cent). One-third of study participants said that "marketing and/or sales" was the primary purpose of their joint ventures. On the technology side, 25 per cent specifically mentioned "access to technology", while slightly more than one-in-ten (13 per cent) mentioned "content provision/access".

Future Participation in Alliances

Continuing in this line of questioning, study participants were asked what the main purpose of their *next* alliance would be. "Marketing and/or sales" tops the list with 34 per cent of respondents indicating it as their main purpose for their next joint venture.

Table 55

One Main Purpose of Next Strategic Alliance
Base: All companies

	INDUSTRY ROLE					
	TOTAL	PRODUCTION ONLY	OTHER			
	(152)	(47*)	(102)			
	%	%	%			
Marketing and/or sales	34	40	30			
Title development	20	21	19			
Access to technology	16	17	15			
Title publishing or distribution	13	2	18			
Content provision/access	11	4	14			
Reseller or system integration	7	6	8			
Other	3	2	4			
Don't plan to enter in						
strategic alliances	10	11	10			
Don't know/Refused	2	6	2			

^{*} Caution: Small base.

Companies whose revenue is primarily derived from website development are more likely to mention "access to technology" as their main purpose for forming their next strategic alliance.

"Title development" is the main motivation for 20 per cent of companies. This is a 14 per cent decrease from the main reason for the most recent mentions. This may suggest that companies now have in-house expertise and knowledge to develop titles and hence may not need to rely on partnerships to the same extent as before. Similarly, "Access to technology" was cited by a substantial number (16 per cent), but was less of a factor than it was in 1995 (25 per cent).

One-in-ten respondents indicated that they don't plan to enter into strategic partnerships.

Industry sectors engaged in strategic alliances

There is a strong likelihood that strategic alliances will continue to be a factor in the business plans of many Multimedia companies and, in fact, might become more prevalent. Almost nine-in-ten (88 per cent) of all firms surveyed indicated, based on their current intentions, they are interested in engaging in a future joint venture.

As Table 56 below details, there are substantial levels of interest in partnering with each of a number of potential alliance partners. For example, over half (52 per cent) of the Multimedia companies indicated they would be interested in forming domestic strategic alliances with content owners and 51 per cent mentioned distributors and publishers.

Table 56

Expected <u>Domestic</u> Alliance Partners

Base: Companies with intentions to form strategic alliance(s)

	INDUSTRY ROLE				
	TOTAL	PRODUCTION ONLY	OTHER		
	(134)	(39*)	(92)		
	%	%	%		
Content owners	52	59	48		
Distributors and publishers	51	46	52		
Multimedia producers	36	33	37		
Software producers	34	26	36		
Internet Service Providers (ISP)	30	23	33		
Other	12	10	13		
Don't Know/Refused	9	8	10		

^{*} Caution: Small base.

Approximately one-third (36 per cent) would be interested in forming a strategic alliance with Multimedia producers and 34 per cent are interested in creating a joint venture with software producers. Multimedia companies with revenues of less than \$250,000 were the most interested in alliances with content owners. Distributors and publishers are more likely to be of interest to Multimedia companies specializing in education, training, and entertainment but were less likely to be of interest to Multimedia companies in the Website Developer niche.

Note: In some questions, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. There were a number of non-responses to the question reflected in Table 56 above. If the figures are re-percentaged eliminating these non-responses the percentage of companies who expect to partner with content owners increases to 64 per cent.

Corresponding figures for International alliances are displayed in Table 57 below. In terms of international alliance partners, distributors and publishers are the types of organizations most likely to be sought out as a strategic partner, being cited by 62 per cent of "intenders".

Table 57

Expected <u>International All ance Partners</u>

Base: Companies with intentions to form strategic alliance(s)

		INDUSTRY	ROLE
	TOTAL	PRODUCTION ONLY	OTHER
	(134)	(39*)	(92)
	%	%	%
Distributors and publishers	621	465	699
Content owners	49 ²	466	5010
Multimedia producers	32^{3}	267	36
Software producers	294	218	32
Internet Service Providers (ISP)	19	5	25
Other	7	3	9
Don't Know/Refused	16	28	11

^{*} Caution: Small base.

Note: In this question also, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. If the figures in Table 57 are repercentaged eliminating these non-responses the percentages change as displayed below

PROPORTIONS AMONG THOSE WHO PROVIDED AN ANSWER

	RE	-PERCENTAGE	ED	RE-	PERCENTAGED
FOOTNO	TE	FIGURE	FOOTNOTE		FIGURE
1.	-	73%	6.		64%
2.	•	58%	7.	*	36%
3.	•	38%	8.	-	29%
4.		35%	9.		77%
5.	•	64%	10.	-	56%

Respondents were asked to evaluate the importance of various factors when assessing the suitability of potential partners for a strategic alliance. The most important factor, as Table 58 below indicates, capturing 86 per cent of the responses, is whether partnering will improve market access.

Table 58
Importance of Factors when Evaluating Suitability of Potential Partners — Top-2-Box Scores

Base: Companies with intentions to form strategic alliance(s) INDUSTRY ROLE **AVERAGE** TOTAL PRODUCTION OTHER ONLY RATING** (134)(39*)(92)% % % AVG Improve market access 86 82 88 4.5 Enhance strategic growth 72 77 71 4.2 58 3.8 Improve financial strength 54 61 Increase knowledge and skills 52 69 46 3.6 Increase exports 51 33 57 3.6 Improve rate of response to rapidly changing market conditions 41 46 40 3.3 Improve core technical strength 37 49 33 3.2

* Caution: Small base.

** 1=Not at all important; 5=Very important

Almost three-quarters of respondents (72 per cent) mentioned that enhancing strategic growth was important to them. This was especially the case among Multimedia-dedicated companies, and medium-size companies (10 to 30 employees). Increasing knowledge and skills captured 52 per cent of the mentions, and are more likely to be important to companies in the Information/Reference niche, companies involved in Multimedia production, and companies whose revenue is less than \$250,000. Increasing exports is especially important for medium-size companies, those primarily involved in education, training, and entertainment.

Note: In some questions, a substantial number of respondents indicated that they didn't know the answer, or declined to respond. There were a number of non-responses to the question reflected in Table 58 on the previous page. If the figures are re-percentaged eliminating these non-responses, the result is as follows: Improve market access - 86 per cent (unchanged), Enhance strategic growth - 76 per cent, Improve financial strength - 61 per cent, Increase knowledge and skills - 54 per cent, Increase exports - 54 per cent, Improve rate of response - 44 per cent, improve core technical strength - 39 per cent.

Strategic alliances by Product-Focus Segment

Figure 6, shown below, provides a summary of the preferences of companies in each of the three Multimedia segments with respect to strategic alliances.

Figure 6 Strategic Alliances by Product-Focus Segment

Segment most likely to have developed alliances (57 per cent have developed domestic alliances and 45 per cent have developed international alliances) Most likely reason for most recent alliance: title development, or marketing

 Most likely reason for next alliance: marketing and/or sales

and/or sales

Into Reference Stohe

- 50 per cent have developed domestic alliances and 38 per cent have developed international alliances
- Most likely reason for most recent alliance: title development
- Most likely reason for next alliance: title development

Segment least likely to have developed international alliances (54 per cent have developed domestic alliances and 32 per cent have developed international alliances

- Most likely reason for most recent alliance: access to technology
- Most likely reason for next alliance: access to technology

Industry Issues

Earlier in the report it was shown that, although there are a number of obstacles and challenges, this is an industry which intends and expects to grow over the near- and midterm. In order to derive a clear understanding of the dynamics of the industry, and to help focus attention on what it is that industry participants would consider most helpful, the following analysis was conducted. A section of the questionnaire included a line of questions which touched on a number of issues known to be concerns of the industry. In broad terms, the statements reflected issues related to the development of international markets, employees, obtaining copyright clearance, the development of Multimedia titles, growth, and logistics. Study participants were asked to indicate whether they agree or disagree with each statement. In order to get a reading of the importance of each issue, the study participants who agreed with each respective statement were also asked to indicate the extent to which the issue has an impact on their business (i.e., choices included "None", "Some" and "A Great Deal").

International Markets

Nearly two-thirds of companies (61 per cent) agreed that international investment provides great opportunities for growth. Almost half of these (46 per cent) felt that this has a great deal of impact. Among all the statements included in the international markets bundle, this was far-and-away the statement most likely to be regarded as significant.

There was an even split on two of the statements, namely: "Cultural issues are an impediment for entering into international markets" (agreed to by 49 per cent of study participants), and "The lack of international market information impedes our exports" (agreed to by 47 per cent of respondents). In the case of both statements, only about one-quarter of those who agreed with the statement felt that it has "a great deal" of impact on their business.

About one-third (36 per cent) agreed that "The variations in international technological infrastructures impede our company from exporting to some countries" and one-quarter (26 per cent) agreed with the statement "The international regulatory measures are an impediment for entering international markets".

Clearly, the one factor which industry participants believe would have the greatest impact would be the ability to take better advantage of international investment.

Table 59
International Market Issues and Perceived Impact on Business
Base: All companies

	TOTAL	IMPAC					
	AGREE			GREAT			
	(152)	NONE	SOME	DEAL			
	%		PERCENT E WHO A				
International investment provides great opportunities for our company's		4.004	2001	4604			
growth	61	17%	36%	46%			
Cultural issues are an impediment for entering into international markets	49	18%	51%	28%			
The lack of international market information impedes our exports	47	6%	63%	25%			
The variations in international technological infrastructures impede our company from exporting to some countries	36	28%	52%	19%			
The international regulatory measures are an impediment for entering international markets	26	28%	49%	23%			

Employees

Responses to statements related to employees suggest that a sizable group within the Multimedia industry is experiencing a challenge finding appropriate talent. More than four-inten (43 per cent) indicated that finding employees who possess both technical and creative skills is more difficult now than it was two years ago. And more than one-third (36 per cent) revealed that they are experiencing more difficulty finding experienced, well trained employees than three years previously.

The importance of both these issues is underscored by the fact that, in the case of each statement, six in ten of those who agreed with the statement also indicated that the challenge was having "a great deal" of impact on their business.

Table 60 Employee Issues and Perceived Impact on Business

Base: All companies

	TOTAL	IMPACT ON BUSINES			
	AGREE			GREAT	
	(152)	NONE	SOME	DEAL	
	%	(ROW PERCENTAGE: THOSE WHO AGREE)			
It is more difficult to hire employees who possess both technical and creative skills than it was two					
years ago	43	5%	36%	59%	
We have more trouble finding experienced, well trained employees					
than three years ago	36	4%	35%	62%	

Copyrights

Earlier in this analysis it was shown that a large proportion of Multimedia companies make use of copyrighted material not owned by themselves, and that by a wide margin, the most common way to obtain copyright clearance was to approach the copyright owner directly.

There was a fairly high level of agreement with almost all of the statements related to this issue. About three-quarters (74 per cent) of study participants agreed with the idea that the process of obtaining a copyright would be improved if there were a single clearance point. About eight-in-ten of those who agreed felt that this issue has at least some impact on their business. Similarly, over two-thirds (68 per cent) agreed with the idea that access to better information on copyright clearing would help improve their business. Potentially related to both these issues, six-in-ten (58 per cent) felt that the process of clearing rights is too time consuming.

A somewhat different issue had to do with whether the level of international copyright protection is inadequate to the point where it forms a barrier to considering international markets. About one-third of study participants (36 per cent) agreed with this statement.

Table 61
Copyright Issues and Perceived Impact on Business

Base: All companies

	TOTAL	IMPA	JSINESS	
	AGREE (152)			GREAT
		NONE	SOME	DEAL
	%	(ROW PERCENTAGE: THOSE WHO AGREE)		
The process of obtaining a copyright would be improved if there was a single clearance point	74	14%	50%	29%
Access to better information on copyright clearing would help improve our business	68	8%	54%	32%
The process of clearing rights is too time consuming	58	16%	50%	31%
The inadequate level of international copyright protection impedes our firm from considering international markets	36	7%	53%	35%

Multimedia Titles

While about one-third of study participants (32 per cent) agreed that it is easier to obtain financing support for the development of new titles now than it was two years ago, a considerable majority apparently believe that the difficulty of obtaining financial support for this purpose has not been alleviated. Interestingly, only about one-quarter (27 per cent) of those who feel that the ease of obtaining financial support for title development has had "a great deal" of impact.

While study participants who believe that the bundling of Multimedia titles with computer hardware restricts their opportunities are in the minority, they do comprise a sizable group (i.e., one-quarter of the study participants).

Table 62

Multimedia Title Issues and Perceived Impact on Business

Base: All companies

TOTAL	IMPAC	JSINESS		
AGREE			GREAT	
(152)	NONE	SOME	DEAL	
%	(ROW PERCENTAGE:			
	THOSE WHO AGREE)			
32	10%	54%	27%	
			25%	
	AGREE (152) %	AGREE (152) NONE % (ROW THOSE	AGREE (152) NONE SOME % (ROW PERCEN' THOSE WHO A	

Growth

The pattern of agreement with statements about growth-related issues reveals on a measure of disappointment with the pace of growth of the Multimedia market abroad, and nearly two-thirds (60 per cent) of respondents believe that the pace of growth in the Canadian market is not growing as fast as expected (see Table 63 below). This is mitigated somewhat by the fact that there is also a considerable degree of optimism that as e-commerce takes root, growth opportunities will be accelerated.

Table 63

Agreement with Growth Issues and Perceived Impact on Business

Base: All companies

	TOTAL	JSINESS			
	AGREE			GREAT	
	(152)	NONE	SOME	DEAL	
	%	(ROW PERCENTAGE: THOSE WHO AGREE)			
Development of e-commerce will					
help the growth of Multimedia sales	84	5%	34%	59%	
The Canadian Multimedia market					
s not growing as fast as expected	60	3%	48%	45%	
The global Multimedia market					
s not growing as fast as expected	42	6%	56%	33%	

Logistics

Study participants do not generally believe that their organization lacks business knowledge, or that this issue is having a serious impact.

In the case of two structural challenges, however, about one-half of study participants indicated that the factor was having an impact on their business. With respect to competition, about one-half (55 per cent) indicated that they have to bid low on projects because new competitors are undercutting them to win jobs, and almost all of those who felt this way indicated that this factor is having at least some impact on their business. With respect to distribution channels, about one-half of the study participants agreed with the idea that the available distribution channels are not meeting their needs. Almost all of these individuals felt that this factor is having at least some impact on their business.

Table 64
Logistics Issues and Perceived Impact on Business

Base: All companies

	TOTAL	IMPAC	MPACT ON BUSIN	
	AGREE			GREAT
	(152)	NONE	SOME	DEAL
	%	(ROW PERCENTAGE: THOSE WHO AGREE)		
We have to bid low on projects				
because new competitors are undercutting us to win jobs	55	2%	41%	56%
Available distribution channels are not meeting our needs	54	4%	42%	51%
Most production is publisher driven	34	470	42/0	3170
rather than developer driven	46	17%	46%	33%
Our company lacks general business knowledge	24	3%	67%	28%

Issues factor analysis

In order to develop further insight into the dynamics of the Multimedia industry, a multivariate analysis known as a factor analysis was conducted. The purpose of this analysis is to isolate the dimensions underlying decision-making. For example, one of the dimensions in this study is optimism / the perception that there are attractive opportunities to pursue. This is expressed as a combination of the following isolated issues.

- International investment provides great opportunities for our company's growth.
- It is easier to get financial support to create new Multimedia titles now than two or three years ago.
- The development of e-commerce will help the growth of Multimedia sales.

Of course, most firms will be driven by more than one dimension, and it is unusual to encounter any single dimension which is sufficiently dominant that it dictates all decision making. And not all firms are driven by all dimensions. But by identifying the full range of factors, it is possible to identify the set of key issues which drive the industry.

The statistical technique known as factor analysis helps identify these dimensions. At the risk of gross over-simplification, the technique involves examining the answers given by all study participants, and identifying similar patterns. Questions which are answered in a similar or identical way group together to form dimensions. Over a period of time, it has come to be understood that dimensions identified in this way represent the building-blocks of decision-making for the target group under study. One of the values of an analysis such as this is that it provides corroboration through quantitative analysis of factors which might previously only have been assumed to be critical, based on industry folklore or intuition.

Using the section of the questionnaire containing the "issues" statements, the factors listed below were identified, along with the statements which clustered together to define the factor. This can be interpreted to mean that companies for which this issue is a decision-driving factor tend to agree with all of the statements in the cluster. Thus, the most effective assistance for companies which are driven by this factor would be to develop a solution which addresses each of the components of the factor.

Optimism / perception of attractive opportunities

- International investment provides great opportunities for our company's growth.
- It is easier to get financial support to create new Multimedia titles now than two or three years ago.
- The development of e-commerce will help the growth of Multimedia sales.

Disappointment over the failure of growth to keep pace with high expectations

- The Canadian Multimedia market is not growing as fast as expected.
- The global Multimedia market is not growing as fast as expected.
- The inadequate level of international copyright protection impedes our firm from considering international markets.

Issues associated with tackling international markets

- The international regulatory measures impede entry into international markets.
- The variations in international technological infrastructures impede our company from exporting to some countries.
- The lack of international market information impedes our exports.
- The bundling of Multimedia titles with computer hardware restricts our opportunities. (Note: This last item is not necessarily an issue related to international markets, but the factor analysis shows that companies which agree with the previous statements also tend to agree with this last statement.)

Human Resources issues

- We have more trouble finding experienced, well trained employees than three years ago.
- It is more difficult to hire employees who possess both technical and creative skills.

Copyright problems

- The process of clearing rights is too time consuming.
- The process of obtaining a copyright would be improved if there was a single clearance point.
- Access to better information on copyright clearing would help improve our business.

It should be noted that other factors were identified. Unlike the factors listed above, these factors were defined by a single statement.

- Inadequacies of the distribution channel
 - Available distribution channels are not meeting our needs.
- Lack of business knowledge
 - Our company lacks business knowledge.
- Cross-cultural issue
 - Cultural issues are an impediment for entering into international markets.
- · Focus on the business 'food-chain'
 - Agree with "Most production is publisher driven rather than developer driven" and disagree with "We have to bid low on projects because new competitors are undercutting us to win jobs."

The three segments of Multimedia companies can be compared with respect to their level of agreement with each of these dimensions. For example, those in the Website Developer niche were less likely to agree that there is a lack of growth, or to agree that finding appropriate distribution channels is a challenge. Conversely, those in the Multiproduct segment are significantly more likely than those in the niche segments to express concerns about distribution channels. Those in the Information/Reference niche were considerably more likely to agree that cultural differences are an impediment to greater development of international markets.

Contribution of Government

Multimedia executives who participated in this study were asked about their perceptions of the involvement of the Canadian federal government with the Multimedia industry. Study participants were asked about their awareness of current levels of government involvement, and their opinions on what the ideal level of involvement might be.

Awareness of Current Federal Government Involvement

In general, those surveyed do not perceive that the federal government is closely involved in specified relationships with the Multimedia industry. Table 65 on the following page shows a listing of areas asked about and the proportion of respondents who feel that the federal government is "very involved" along with the perceived ideal level of involvement.

Desired Role in Federal Government in the Multimedia Industry

Multimedia executives perceive that the federal government should take a more active role in all areas. For almost all of the dimensions, a substantial percentage of companies believe that "very involved" is an ideal level of involvement for the federal government. A relatively low percentage of companies believe that the federal government is in fact "very involved" currently.

In Table 65 below, the column labeled "difference" represents the gap between the present perceived level of involvement and the ideal level of involvement. The greater the number in magnitude, the bigger the gap between perceived and ideal involvement. For example, the area of tax credits (with a difference of -63) represents the largest opportunity for the government to increase its involvement with 73 per cent of respondents indicating that the government should be very involved.

Table 65
1999 Perceived and Ideal Government Involvement
Base: All companies

	VERY INVOLVED IS IDEAL (152)	PERCEIVED VERY INVOLVED (152)	DIFFERENCE (152)
	%	%	
Tax credits	73	10	-63
Providing grants	64	9	-55
Providing loans	62	10	-52
Employment incentives	66	11	-55
Aiding in export development	65	25	-40
Aiding in developing linkages/partnerships	51	13	-38
Involvement in standards development	33	4	-29
Improved access to strategic information	50	7	-43

Other notable areas where the industry is apparently inviting the government to undertake a higher level of involvement include the provision of grants, employment incentives, and the provision of loans. The area of involvement in standards development has the smallest gap, with a 29 point difference.

Much of the *gap* between the perceived level of involvement and the desired level of involvement is on the financial front. As Table 65 shows that tax credits is the area cited more than any other where there is a desire for government involvement (73 per cent). This was followed by employment incentives (66 per cent), aiding in export development (65 per cent), and providing grants (64 per cent).

In general, the invitation to undertake a greater level of involvement, as represented by the size of the "gaps", has increased since 1995. Over half of the respondents in 1995 believed that the government should be very active in providing tax credits, loans, employment and training incentives to the industry. But 10 per cent or fewer believed that the government was currently "very" active in these areas, as the table below demonstrates.

Table 66
1995 Perceived and Ideal Government Involvement

Dasc.	All companies		
	VERY INVOLVED	PERCEIVED VERY	
	IS IDEAL		DIFFERENCE
	(203)	(203)	(203)
	%	%	
Tax credits	53	7	-46
Providing grants	46	10	-36
Providing loans	54	8	-46
Employment incentives	51	6	-45
Training incentives	57	8	-49
Aiding in export development	64	13	-51
Aiding in developing linkages/partnerships	36	6	-30
Involvement in standards development	30	5	-25
Improved access to strategic information	49	5	-44
Regulations/Legislation	17	13	-4

Export development was singled out by the greatest proportion (64 per cent) of industry members for active government involvement in 1995. Since then, the perception of federal government involvement in aiding in export development increased from 13 per cent in 1995 to 25 per cent in 1999.

Participation in Federal Government Programs

In addition to questions about perceived levels of government involvement, the study participants were asked about which government programs they have ever used. Table 67 reflects the response to this line of questioning. Government programs which top the list include international partnering with 31 per cent, employment incentives with 28 per cent, and grants capturing 24 per cent of Le mentions.

Table 67
Usage of Government-led Initiatives
Base: All companies

Dabe. Till co		
	1995 TOTAL (203)	1999 TOTAL (152)
	%	%
Small business start-up loans	15	19
Employment incentives	27	28
Grants	26	24
Federal Business Development Bank	9	18
Government procurement	12	13
Other government backed loans	13	18
International Partnering		31

In 1995, the financial programs most mentioned by respondents included: employment incentives (27 per cent), grants (26 per cent), and start-up loans (15 per cent).

All government-led initiatives, with the exception of grants, mentioned Table 67 above enjoyed an increase in usage over the 1995 survey period, most notably a third of the respondents (31 per cent) making use of a new program category, International Partnering, as well as a 100 per cent increase in usage of the Federal Business Development Bank.

The International Partnering program is more likely to be used by Multimedia-dedicated companies, companies involved primarily in education, training, and entertainment, and companies with a revenue between \$250,000 and \$1 million. Conversely, this program is less likely to be used by small companies (less than 10 employees) and companies with a revenue of less than \$250,000.

Figure 7 below summarizes perceptions for government involvement by product-focus segment.

Figure 7 Government Involvement by Product-Focus Segment

- Highest priorities for government involvement are: 1) employment incentives, 2) tax credits, 3) aiding in export development
- Highest priorities for government involvement are: 1) tax credits, 2) providing loans
- Highest priorities for government involvement are: 1) tax credits, 2) providing grants

Profile of the Survey Respondents

For the record, this section outlines the characteristics of the survey participants in terms of job function and responsibilities.

Instructions were provided in the survey package mailed to each participant describing the kinds of information and level of detail required. This step provided the recipient with the option of enlisting the assistance of someone else in the organization who might be a more appropriate source of the required information.

Respondent's position within their company

Approximately nine out of ten (93 per cent) of all respondents to this survey were senior management or equity holders (i.e., sole proprietor or partner). This is a slight increase over 1995.

Table 68

Position of Survey Respondent Within Their Company
Base: All companies

	TOTAL 1995 (203)	TOTAL 1999 (152)
	%	%
Sole proprietor/partner	55	57
Senior Management	26	36
Contractor/Consultant	4	
Employer	3	4
Other	8	3
Refused	3	1

Functional responsibilities

As shown in Table 69 below, the senior level person tends to fulfill a variety of responsibilities, with a particular emphasis on management, administration, and marketing duties. The practice of 'wearing many hats' is congruent with smaller businesses in most industries, especially among relatively young businesses.

Table 69

Respondents' Functional Responsibilities

Base: All companies

	TOTAL 1995 (203)	TOTAL 1999 (152)
	%	%
Executive management	73	82
Multimedia development	66	53
Creative services	57	40
Sales	63	63
Marketing	73	80
Administration	80	83
Product management	45	44
Consulting	53	46
Production services	44	37
PR/Communication	53	64
Customer service	60	54
Engineering/R&D	28	23
MIS/IT management	16	26

Primary function

As compared to the previous study, there was a greater propensity in the current study for respondents to describe their primary role as being either "executive management" or "administration", and a corresponding lower propensity to describe their primary role as being related to development, to creative, or to production.

Although the numbers themselves are not sufficiently different from the 1995 study to represent irrefutable conclusions, this difference may be an early indication that although it is still the case that senior personnel tend to perform a number of functions within the organization, Multimedia companies are beginning to evolve to the point where they are managed by people who spend more of their time managing, and comparatively less time in the actual production of the product or service. If this is so, it suggests that the industry is on its way to maturing, and is developing the managerial strength (above and beyond the entrepreneurial strength) to sustain the next round of growth.

Table 70
Respondents' Primary Function
Base: All companies

	TOTAL 1995 (203)	19	TAL 999 52)
	%	•	%
Executive management	32		45
Multimedia development	20		11
Creative services	11		5
Sales	7		5
Marketing	7		7
Administration	4		10
Product management	4		1
Consulting	3		1
Production services	4	•	1
PR/Communication	1		1
Customer service	1		2
Engineering/R&D	1		1
Finance/Accounting			3
MIS/IT Management			1
Training/Education	-		1
HR/Personnel	-		-
Refused	3		4

Appendix

This appendix includes two versions of the questionnaire; one in French and the other in English. Wherever practical, the 'frequencies' (i.e., the number of people who selected each response category) are displayed, either next to the response category, or in a summary table immediately below the question.

Profile of Multimedia Companies in Canada

- Where do you think the Canadian multimedia industry is headed?
 - What strategies for success are being implemented?
 - · How do you compare?

Conducted for:

Department of Foreign Affairs & International Trade, Industry Canada, Canadian Heritage and Human Resources Development Canada.

By:

ACNielsen•DJC Research

Please reply by postage paid mail by April 23, 1999.

DART

THE FOLLOWING QUESTIONS COVER ALL COMPANY ACTIVITIES (MULTIMEDIA AND ALL OTHERS)

ABOUT YOUR COMPANY

1a.	In which year was your company established? Write	e in: 19	
1b.	In what year did your company become involved i Write in: 19	n the multimedia ind	ustry
1c.	What is the ownership structure of your company?		
	Public sector organizations (e.g., not-for-profit,		
	government agencies or crown corporations)	(005)	
	Privately held company	(138)	
	Publicly traded company	(008)	
• I	n which province or territory is your main operation l	located? [Select one or	nly]
	British Columbia	(20)	
	Alberta	(11)	
	Saskatchewan	(02)	
	Manitoba	(03)	
	Ontario	(61)	
	Quebec	(42)	
	New Brunswick	(05)	
	Nova Scotia	(03)	
	Newfoundland	(03)	
	P.E.I	(01)	
	Yukon	(00)	
	Northwest Territories	(00)	

 In the first column below, please indicate the number of permanent and contract employees who are currently working for your company.

In the second column, please indicate the number of permanent and contract employees who are currently involved in your company's multimedia business.

		Total Number of Employees		Total Number of Company's Employees Involved in Multimedia Business
Management/Sales	Permanent employee			
	Contract employee			
Creative (authors, designers)	Permanent employee			
	Contract employee			
Technical/ Programmers	Permanent employee			
	Contract employee			
Other Employees	Permanent employee	7		
	Contract employee			
	TOTAL		TOTAL	

4. Did your company operate profitably in 1998? If not, in which year is the company projecting to reach profitability?

Yes, the company is profitable	(81)	
No, but expected to be profitable	In 1999(26)	In 2001(7)
	In 2000(29)	After 2001(6)

5. Please check the range that contains your company's revenue from all sources (multimedia and all others) for each year listed below. This information will be used in the estimation the size of the multimedia industry.

1997	1998	1999	2000	2001
Less than \$250,000(79)	(65)	(40)	(24)	(19)
\$250,000 to less than \$500,000(23)	(28)	(26)	(22)	(17)
\$500,000 to less than \$1 million(18)	(24)	(30)	(21)	(13)
\$1 million to less than \$2 million(13)	(12)	(17)	(15)	(22)
\$2 million to less than \$3 million(01)	(05)	(08)	(07)	(07)
\$3 million to less than \$4 million(03)	(07)	(06)	(10)	(07)
\$4 million to less than \$5 million(01)	(01)	(02)	(04)	(08)
\$5 million to less than \$7 million(00)	(00)	(02)	(03)	(02)
\$7 million to less than \$10 million(01)	(00)	(01)	(03)	(05)
\$10 million to less than \$15 million(01)	(02)	(02)	(02)	(04)
\$15 million to less than \$20 million(00)	(00)	(02)	(02)	(04)
\$20 million to less than \$25 million(00)	(00)	(00)	(03)	(01)
\$25 million to less than \$30 million(01)	(00)	(00)	(00)	(02)
\$30 million to less than \$40 million (00)	(01)	(01)	(00)	(02)
\$40 million to less than \$50 million (00)	(00)	(00)	(01)	(02)
\$50 million+ [SPECIFY](01)	(01)	(01)	(01)	(01)

6. In those same years, what percentage of your company's total revenue is — and will be — multimedia related?

_	1997	1998	1999	2000	2001
Multimedia was/will be:	%	%	%	%	%

THE FOLLOWING QUESTIONS RELATE STRICTLY TO MULTIMEDIA ACTIVITIES ONLY

ONLY IF YOU ARE A MULTIMEDIA PRODUCER All others go to Page 8

CONTENT

7a.	What percentage of your multimedia revenues are generated by each of the
	products below for 1998 and 1999 (projected). [The total should add to 100%]

	1998	Projected 1999
	Revenues	Revenues
Information/Reference	%	<u> </u>
Education	%	<u></u> %
Games	%	%
Entertainment	%	%
Website development	%	%
Training	%	%
Other corporate products	%	%
Other [SPECIFY]	%	%
Estimate the percentage of your multime		Total=100%
platforms below for 1998 and 1999 (projected	d). [The total should	add to 100%]
	d). [The total should 1998	add to 100%] Projected 1999
	i). [The total should 1998 <u>Revenues</u>	add to 100%]
platforms below for 1998 and 1999 (projected	i). [The total should 1998 <u>Revenues</u>	add to 100%] Projected 1999 Revenues
platforms below for 1998 and 1999 (projected of the control of the	i). [The total should 1998 Revenues %	add to 100%] Projected 1999 Revenues
On-line (e.g., Internet, Intranet/Extranet)	i). [The total should 1998 Revenues % % % % % % % % % % % % % % % % % % %	add to 100%] Projected 1999 Revenues
On-line (e.g., Internet, Intranet/Extranet)	i). [The total should 1998 Revenues % % % % % % % % % % % % % % % % % % %	add to 100%] Projected 1999 Revenues
On-line (e.g., Internet, Intranet/Extranet)	i). [The total should 1998 Revenues % % % % % % % % %	

7c.	Estimate the percentage of your multimedia revenues that are generated by
	each of the three methods of development listed below, for 1998 and 1999
	(projected). [The total should add to 100%]

	1998	Projected 1999
	Revenue	Revenues
	Developed entirely in-house %	%
	Entirely third party supplied %	□ %
	Combination of in-house and third party %	%
	Total=100	0% Total=100%
Ba.	In your last five projects, how many have involved the use of existing works other than your own?	f copyrighted pre-
	out of the last five projects	
	SE TERO SKIP TO O 8c	

Q8a	Total
0	64
1	18
2	15
3	7
4	6
5	19
Refuse	12
Q8a 0 1 2 3 4 5 Refuse Don't Know	3
Grand Total	144

8b. Thinking of the most recent project that included the use of copyrighted preexisting works other than your own, what was the expenditure on the copyright expressed as a percentage of the overall development cost of the project?

% of the overall development cost of the project

Q8b	Total
0	7
1	8
2	3
3	3
Q8b 0 1 2 3 5	9
10	16
15	4
20	3
25	2
30	2
Refuse	18
15 20 25 30 Refuse Don't Know	5
Grand Total	80

8c. The last time you obtained copyright clearance, how did you go about it? [Check all that apply]

Directly	(102)
Through a consultant	
Through a copyright lawyer	(15)
Other [SPECIFY]	(8)

ONLY IF YOU ARE A MULTIMEDIA PUBLISHER

All others go to Page 9

MARKETING AND DISTRIBUTION

9.	What methods of distribution has your company used for products or titles? [Check all that apply]	its multimedia
	On-line	72)
	Retail distribution	•
	OEM bundling	
	Traditional direct marketing/sales	
	Other [SPECIFY]	10)
10.	Through which of the following mediums do you promote [Check all that apply]	your products?
	Trade shows(70)
	Internet advertising(75)
	Specialized magazines(56)
	Newspapers	
	Television(•
	Other [SPECIFY]	24)
	NONE OF THE ABOVE	06)
11.	What percentage of your multimedia retail sales in 1998 weach of the following? [The total should add to 100%]	vas derived from
	<u>% of 1</u>	Total Costs
	Book Stores	%
	Music Stores	%
	Consumer Electronics Stores	%
	Department Stores	%
	Bulk Distributors/warehouses	_ %
	Other Retail Outlets [SPECIFY]	%
	Tota	l=100%

EVERYONE ANSWER

MARKET INFORMATION

12a. Approximately what proportion of your multimedia related business is generated in each of the following geographic regions? Please fill in the percentage in the box provided. [The total should add to 100%]

	% of Business
Canada	%
United States	%
Latin America	%
Japan	%
Singapore	%
Southeast Asia (excluding Japan and Singapore)	%
UK (United Kingdom)	%
Germany	%
France	%
Other Europe (excluding the UK, Germany, France)	%
Other international markets	%
	Total=100%

12b. How important will each of these areas be for your company for business development over the next two years? [If you have specific plans for expansion outside of North America, please specify the country(s).]

	Not At All Important				Very Important
Canada	(1)	(10)	(21)	(8)	(109)
USA		(13)	(20)	(15)	(95)
Latin America [SPECIFY]	(44)	(17)	(17)	(5)	(8)
Asia [SPECIFY]	(42)	(11)	(16)	(8)	(13)
Europe [SPECIFY]	(26)	(8)	(25)	(20)	(26)
Other [SPECIFY]	(32)	(2)	(6)	(-)	(9)

13.	Approximately what proportion of your multimedia-related business only does each market segment comprise? Please fill in the percentage in the box provided. [The total should add to 100%] % of Multimedia Revenue
	Home
	Business (including home-based business) %
	Governmental Institutions
	Educational Institutions
	Other Public Institutions (e.g., National Parks, Museums)
	Other [SPECIFY] %
	Total=100%
14.	In 1998, what percentage of your company's multimedia revenue was derived from each of the following? [The total should add to 100%]
	% of Multimedia Revenues
	Title Development
	Publishing
	Services to clients (e.g., Website development)
	Total=100%

FINANCIAL

15.		age of your total multimedia project costs in 1998 g activities. [The total should add to 100%]
		% of Multimedia Costs
	Creation/Development	
	Manufacturing & Packaging	
	Marketing & Distribution	
	Other [SPECIFY]	%
		Total=100%
16.	Has your company ever use	d any external sources of financing?
	Domestic	International
	Yes(92)	Yes(09)
	No(59)	No(108)
		If 'No' to BOTH Domestic AND International, SKIP to Q.18a
17.	If yes, which of the following [Check as many as apply.]	ng sources of financing has your company used?
	Banks	(60)
		(03)
	Leasing companies	(17)
	Government programs	(61)
	Venture capital firms	(14)
	Public offerings	(03)
	Personal (including friends an	d relatives)(60)
		(30)
	Other [SPECIFY]	(06)
18a.	Do you plan to seek outside your company's business pla	financing within the next 12 months to finance in?
	Yes	(91)
		(57) ☐ If No, SKIP to Q.20a
		io digo

18b. To obtain financing during the next 12 months what would be your order of preference among the eight services listed below. Use a '1' for the 'most likely' source and an '8' for the 'least likely' source. Use each number only once.

Rank from MOST LIKELY (1) to LEAST LIKELY (8)

	Banks	
	Trust companies	•
	Leasing companies	
	Government programs	•
	Venture capital firms	
	Public offerings	•
	Personal (including friends and relatives)	
	Informal investors	
19.	How much financing do you intend to raise over the	next 12 months?
	Less than \$100,000	(22)
	\$100,000 to less than \$200,000	(15)
	\$200,000 to less than \$500,000	(14)
	\$500,000 to less than \$1 million	(15)
	\$1 million to less than \$2.5 million	(10)
	\$2.5 million to less than \$5 million	(08)
	\$5 million to less than \$10 million	(04)
	\$10 million or more	(03)

strategic partnerships, allian venture can be described a	ess developed any domestic and/or international nees or joint ventures? A strategic alliance or joint s two or more firms with complementary skills mmon objectives.						
Domestic	International						
Yes(84)	Yes(60)						
No(59)	No(79)						
	If 'No' to BOTH Domestic AND International, SKIP to Q.20c						
	pose of the most recent strategic alliance or joint rook with another company, or companies?						
	MOST RECENT						
Title development (primarily)	(36)						
Title publishing or distribution (Title publishing or distribution (primarily)(10)						
Reseller or system integration	(05)						
Content provision/access	(14)						
Access to technology(26)							
Marketing and/or sales(35)							
Other [SPECIFY]	(02)						
7	what will be the <u>one</u> main purpose of your next nture?						
	NEXT						
Title development (primarily)	(30)						
	primarily)(19)						
	(11)						
	(17)						
Access to technology	(24)						
Marketing and/or sales	(52)						
Other [SPECIFY]	(05)						
	alliances or(15)						
	If 8, SKIP to HUMAN RESOURCES TRAINING Section Q.22						
	strategic partnerships, allian venture can be described a working together towards con Domestic Yes						

20d. The next time you evaluate the suitability of potential partners, how important will each of the following factors be?

Not At All Important				Very Important
Improve market access(2)	(4)	(10)	(21)	(94)
Enhance strategic growth(4)	(7)	(20)	(28)	(69)
Improve financial strength(9)	(11)	(30)	(27)	(51)
Improve core technical strength(10)	(29)	(37)	(24)	(25)
Improve rate of response to rapidly changing market conditions(9)	(21)	(41)	(30)	(25)
Increase exports(14)	(14)	(31)	(23)	(45)
Increase knowledge and skills(9)	(18)	(33)	(32)	(38)
Other [SPECIFY](5)	(-)	(1)	(1)	(3)

21. With what other industry sectors would your company be most interested in forming strategic alliances or joint ventures? [Check as many answers as apply]

	Domestic	International
Content owners	(69)	(66)
Multimedia producers	(48)	(43)
Internet Service Providers (ISP's)	(40)	(26)
Software producers		(39)
Distributors and Publishers	(68)	(83)
Other [SPECIFY]	(16)	(09)

HUMAN RESOURCES/TRAINING

22. Please indicate both the top end and bottom end annual salary ranges for each of the following three job categories in your company. Indicate your response in terms of annual salary or hourly rate.

Category 1: Management/Sales

Annual Salary		OR Hourly	
Top End	Bottom End	Top <u>End</u>	Bottom End
Under \$25,000(11) (23)	Under \$15/hour(01)	(07)
\$25,000 to \$34,999(08	(38)	\$15 to \$34/hour(07)	(06)
\$35,000 to \$44,999(11) (24)	\$35 to \$49/hour(01)	(02)
\$44,000 to \$54,999(16	(15)	\$50 to \$79/hour(04)	(02)
\$55,000 to \$64,999(15	(06)	\$80 to \$99/hour(04)	()
\$65,000 to \$74,999(14	(04)	\$100 or over/hour(01)	()
\$75,000 and over(44	(02)		

Category 2: Creative/Authors/Writers/Designers

Annual Salary		OR Hourly	
Top End	Bottom End	Top <u>End</u>	Bottom End
Under \$25,000(09)	(29)	Under \$15/hour(3)	(8)
\$25,000 to \$34,999(13)	(43)	\$15 to \$34/hour(10)	(14)
\$35,000 to \$44,999(19)	(16)	\$35 to \$49/hour(6)	(3)
\$44,000 to \$54,999(25)	(04)	\$50 to \$79/hour(5)	(2)
\$55,000 to \$64,999(18)	(03)	\$80 to \$99/hour(4)	()
\$65,000 to \$74,999(08)	(02)	\$100 or over/hour(3)	()
\$75,000 and over(11)	(01)		

Category 3: Technical/Programmers

Annual Salary	(OR Hourly	
Top <u>End</u>	Bottom End	Top <u>End</u>	Bottom End
Under \$25,000(12)	(24)	Under \$15/hour(1)	(9)
\$25,000 to \$34,999(13)	(44)	\$15 to \$34/hour(11)	(7)
\$35,000 to \$44,999(15)	(26)	\$35 to \$49/hour(3)	(4)
\$44,000 to \$54,999(19)	(3)	\$50 to \$79/hour(5)	(6)
\$55,000 to \$64,999(18)	(4)	\$80 to \$99/hour(6)	()
\$65,000 to \$74,999(14)	()	\$100 or over/hour(3)	()
\$75,000 and over(15)	(2)		

23. What is the average number of hours worked per week by your employees?

Frequency of Hours Worked per Week

Management and Sales personnel	Total	Creative (Authorand Designers,		Total	Technical/ Programmers	Total
	5		0	8	(11
	5 1		10	2	10	2
10	5 1		13	1	13	3 1
	3 1		15	1	15	5 1
	2		20	4	20	3
20	5		30	4	25	5 2
30	3		35	9	30) 4
3			36		35	10
3	7 2		37	3	30	6 2
31	3		38	3	3	
40	27		40	44	38	5
4:	10		44	1	40	44
41	30		45	13	4:	5 11
50	30		50	25	50	22
55	10		55	5	55	5 5
60	24		60	11	60	9
6	5 2		70	2	65	
70	4		100	1	70	
7:	5 1				75	5 1
80					- 1	
100	2					
Refused	11	Refused		14	Refused Don't Know	13
Grand Total	152	Grand Total		152	Grand Total	152

Appendix

100%

24. On average, how long do staff members remain with your organization?

Average Length of Employment in Months

	Management and Sales personnel	Creative (Authors, and Designers, etc.)	Technical/ Programmers
Permanent employees	Mo.	Mo.	Mo.
Contract employees	Mo.	Mo.	Mo.

25.	What percentage of your employees perform each of the following types of functions? [The total should add to 100%]
	%
	SOLELY creative functions
	SOLELY technical functions
	SOLELY management and sales
	COMBINED creative and technical functions
	COMBINED management/sales and others
	OTHER [SPECIFY]
	TOTAL 100%

26. For each of the functional disciplines listed, complete the following questions by recording your answer below. Refer to the instructions below if necessary.

Expecting to Hire In 1999

		1 Number	PERM/CT		PERM/CT		Availabilit	v
		Expected To Hire	Experience (yrs.)	Perm- anent	Cont- ract		Somewhat Available	Hard to Find
		#	#	(Check all	that apply)		Check only or	ie)
Management/ Sales	-			(70)	(21)	(21)	(40)	(28)
Creative/ Authors/Writers	,							
Designers	-			(53)	(59)	(20)	(53)	(28)
Technical/ Programmers	-			(66)	(61)	(21)	(52)	(39)

- **O** Number: Provide your best estimate as to the number of people your company expects to hire for this category of position in 1999.
- **Experience:** How many years experience, on average, would the ideal candidate have for this position? Write in your answer in years beside each functional discipline.
- **8** Permanent/Contract For the most part, is the person in this position a permanent employee or a contract employee?
- Availability: How difficult do you expect it will be to find qualified personnel in each category? Do you think qualified candidates will be very available, somewhat available or hard to find?

27a.	Does your company provide any training for e	mploye	ees?			
	Yes		(103)			
	No			SKIP	to Q.31	
27b.	What is the percentage of employees that he past 12 months? [No ranges]	ave rec	ceived	trainir	ng within	the
	Permanent employees:			%		
	Contract employees:			%		
28a.	What kind of training is this? [Check all that	apply]				
	Informal on-the-job training Formal training (e.g., courses, workshops)					
28b.	In 1998, what percentage of your total retraining? [No ranges]	evenue	was	allocat	ed to fo	rmal
	% of 1	1998 re	venue			
29.	What percentage of your employees did you educational institution?	hire d	lirectly	from	a trainir	ng or
	% of e	employe	ees			
30.	How satisfied are you with the adequacy of following?	trainir	g prov	ided b	y each o	f the
	Not At A Importa			In	Very portant	N/A
	Public educational institutions such as community colleges(10)	(12)	(23)	(26)	(18)	(13)
	Private training institutions(11)	(20)	(21)	(19)	(11)	(18)
)	Industry specific or related seminars not organized by our company(11)	(7)	(28)	(18)	(10)	(22)
	Training consultants(19)	(10)	(13)	(9)	(6)	(39)
	Other [SPECIFY](1)	(1)	(-)	(-)	(1)	(33)

GOVERNMENT

32a. To the best of your knowledge, how involved is the Canadian federal government in the multimedia business?

<u>lı</u>	Very nvolved	Somewhat Involved	Not At All Involved
Tax credits	(15)	(63)	(64)
Providing grants	(13)	(76)	(55)
Providing loans	(15)	(71)	(55)
Employment incentives	(17)	(58)	(65)
Aiding in export development	(38)	(70)	(37)
Aiding in developing linkages and partnerships	(19)	(72)	(51)
Involvement in standards development	(6)	(52)	(83)
Improved access to strategic information	(11)	(74)	(55)

32b. In your opinion, how involved should the federal government be in the multimedia business?

	Very Involved	Somewhat Involved	Not At All Involved
Tax credits	(111)	(25)	(9)
Providing grants	(97)	(36)	(13)
Providing loans	(94)	(37)	(13)
Employment incentives	(101)	(37)	(7)
Aiding in export development	(99)	(35)	(10)
Aiding in developing linkages and partnerships	(77)	(45)	(21)
Involvement in standards development	(50)	(45)	(47)
Improved access to strategic information	(76)	(55)	(13)

33. Has your company ever used any of the following federal government-led initiatives?

	Yes
Small business start-up loans	(29)
Employment incentives	(43)
Grants	(37)
Business Development Bank of Canada	
Government procurement	(19)
Other government backed loans	(28)
International partnering events/missions, trade fairs	(47)

ISSUES

34. Please indicate whether you agree or disagree with each of the following statements as they apply to your multimedia business. If you agree, please indicate how much of an impact, if any, it has had on your business.

		1 .	Impact	Impact On Business		
Disagree	Agree		None	Some	A Great Deal	
INTERNATIONAL MARKETS	Agree		TYONG	Some	Dear	
International investment provides great opportunities for our company's growth(60)	(92)	0	(16)	(33)	(43)	
The international regulatory measures are an impediment for entering international markets(113)	(39)	0	(11)	(19)	(9)	
The variations in international technological infrastructures impedes our company from exporting to some countries(99)	(53)		(15)	(28)	(10)	
Cultural issues are an impediment for entering into international markets(80)	(72)		(13)	(38)	(21)	
The lack of international market information impedes our exports(85) EMPLOYEES	(67)		(4)	(45)	(18)	
We have more trouble finding experienced, well trained employees than three years ago (97)	(55)		(2)	(19)	(34)	
It is more difficult to hire employees who possess both technical and creative skills than it was about two years ago(86)	(66)		(3)	(24)	(39)	

			Impact On Business		
Disagree	Agree		None	Some	A Great Deal
COPYRIGHTS					
The process of clearing rights is too time consuming(67)	(85)		(14)	(44)	(27)
The process of obtaining a copyright would be improved if there was a single clearance point(46)	(106)	0	(16)	(57)	(33)
Access to better information on copyright clearing would help improve our business(55)	(97)		(8)	(56)	(33)
The inadequate level of international copyright protection impedes our firm from considering international markets (100)	(52)	0	(4)	(29)	(19)
MULTIMEDIA TITLES					
It is easier to get financial support to create new multimedia titles now than two or three years ago(108)	(44)		(5)	(26)	(13)
The bundling of multimedia titles with computer hardware restricts our opportunities(114)	(38)		(7)	(21)	(10)
GROWTH					
The Canadian multimedia market is not growing as fast as expected(64)	(88)		(3)	(44)	(41)
The global multimedia market is not growing as fast as expected(91)	(61)		(4)	(36)	(21)
Development of e-commerce will help the growth of multimedia sales(28)	(124)		(6)	(43)	(75)

		.	Impact	On Bus	
Disagree	Agree		None	Some	A Great Deal
LOGISTICS					
Available distribution channels are not meeting our needs(73)	(79)	0	(3)	(34)	(42)
We have to bid low on projects because new competitors are undercutting us to win jobs(69)	(83)		(2)	(34)	(47)
Our company lacks general business knowledge(117)	(35)		(1)	(24)	(10)
Most production is publisher driven rather than developer driven(85)	(67)		(12)	(32)	(23)

ABOUT YOU

35.	Which of the following best describes y	you? [Select one only]	
	Sole proprietor/partner	(86)	
	Senior management	(55)	
	Contractor/consultant		
	Employer		
	Not described above		
36.	What are your functional responsibiliare involved. [Check all that apply]	ities? Indicate all functions in which	h yo
	Administration(126)	Customer service	.(82)
	Executive management(125)	Consulting	.(70)
	Finance/accounting(99)	Multimedia development	
	Marketing(122)	Creative services	
	Sales(95)	Production services	.(56)
	MIS/IT management(39)	Training/education	.(47)
	Product management(67)	HR/Personnel	
	Engineering/R&D(35)	Public relations/communications	.(97)
37.	Indicate your primary function. [Selec	et one only]	
	Administration(15)	Customer service	.(3)
	Executive management(69)	Consulting	.(2)
	Finance/accounting(4)	Multimedia development	.(16)
	Marketing(11)	Creative services	.(8)
	Sales(7)	Production services	.(2)
	MIS/IT management(1)	Training/education	.(2)
	Product management(2)	HR/Personnel	.(-)
	Engineering/R&D (2)	Public relations/communications	121

Thank you for completing this important survey. Please enclose the completed survey in the self-addressed, postage paid envelope provided and mail it back to ACNielsen•DJC Research.

READ ME FIRST

Important Instructions About This Survey.

This is a study about the multimedia industry in Canada. If you are not a publisher or producer in the multimedia industry, then your company's name has been included in our database in error. To help us correct this mistake, please send us this mailing label - without the questionnaire - in the self-addressed postage paid envelope enclosed. We will remove your company's name from our database, and avoid sending you material such as this in the future.

Assuming you are a publisher or producer in the multimedia industry, the following instructions and definitions will help you speed through this questionnaire. please return the questionnaire to us in the self-addressed postage paid envelope enclosed. We will be making reminder calls to those who have not completed the survey by a certain date. So that we will not trouble you with such a call, please include this sheet in the envelope you mail back to us (but do not attach it to the questionnaire).

Indicating your answer

Thank you for your help.

There are several different types of questions included in this survey. The most common question type in this survey is where you are

asked to check a box corresponding to your answer. Most of the time you will just check one box, with either an x or a ✓. Other questions will require you to select any answers that mey apply. Please be sure to read the instruction for each question.

Some questions may require that you answer with a number. Be as accurate as possible when writing in numbers. Please don't write in ranges of numbers, such as 10 to 15.

If you are not sure, and if there is no way to find out, estimate your answer to the best of your ability. Feel free to consult other persons in your office if you are not sure of something; but remember, in most cases we need *your* opinion.

What section should I answer?

There are some sections that only apply to companies currently involved in the development of multimedia titles (Producers) and some sections that apply to those companies currently involved in the marketing and distribution multimedia products (Publishers). If your company develops as well as markets and distributes please fill in all sections.

After you have finished

After you have completed the questionnaire, please put it into the supplied pre-addressed envelope and drop it into the mail. There is no need to provide postage.

DEFINITION OF TERMS

Throughout this survey we will be using terms that may have differing meanings, depending on your industry perspective. We are providing some definitions so that everyone who completes this survey does so with the same understanding of the terms.

(Interactive) Multimedia

(Interactive) Multimedia can be defined as an interactive presentation of electronic (digital) information which incorporates two or more media elements (e.g., graphics, text, animation, video or sound) for playback on a computer moderated device.

Production

That aspect of the (Interactive) Multimedia industry that is directly involved with the creation and development of the media elements and their integration into an (interactive) multimedia presentation.

Publishing

The aspect of the (Interactive) Multimedia industry that is primarily involved with the marketing, promotion and financing of (interactive) multimedia products.

Permanent Employee

Employees working for a company who are receiving benefits and having all taxes deducted.

Contract Employee

Individuals working for a firm on either a contract with a specific time frame or subcontracted for a project. These individuals may or may not have taxes deducted by the employer but they do not receive any form of benefits.

ALL INFORMATION YOU PROVIDE IN THIS SURVEY WILL BE KEPT STRICTLY CONFIDENTIAL

Profil d'entreprises multimédia au Canada

- Selon vous, où l'industrie canadienne du multimédia se dirige-t-elle?
 - Quelles stratégies sont mises en oeuvre pour en garantir le succès?
 - Comment votre entreprise se compare-t-elle?

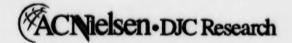
Réalisé pour le compte des :

Ministère des Affaires étrangères et du commerce international,

Industrie Canada, Patrimoine canadien et

Développement des ressources humaines Canada.

Par:



Prière de retourner par la poste, port payé, d'ici le 23 avril 1999.

Premiere partie

LES QUESTIONS QUI SUIVENT PORTENT SUR L'ENSEMBLE DES ACTIVITÉS DE L'ENTREPRISE (MULTIMÉDIA ET AUTRES)

CONCERNANT VOTRE ENTREPRISE

1a.	En quelle année votre entreprise a-t-elle été fondée? Inscrivez ic	i: 19
16.	En quelle année votre entreprise a-t-elle commencé à s'engager multimédia? Inscrivez ici : 19	activement dans l'industrie du
1c.	Quelle est la structure organisationnelle de votre entreprise?	
	Organisation/organisme du secteur public (p. ex. : organism gouvernementaux, sans but lucratif ou sociétés d'État)	
	Société privée	(138)
	Société ouverte au capital public	(8)
2.	Dans quelle province ou territoire se situe le principal site d'expl [CHOISISSEZ <u>UNE</u> RÉPONSE]	oitation de votre entreprise?
	Colombie-Britannique	(20)
	Alberta	(11)
	Saskatchewan	(02)
	Manitoba	(03)
	Ontario	(61)
	Québec	(42)
	Nouveau-Brunswick	(05)
	Nouvelle-Écosse	(03)
	Terre-Neuve	(03)
	lle-du-Prince-Édouard	(01)
	Yukon	()
	Territoires du Nord-Ouest	()

 Veuillez indiquer dans la première colonne ci-dessous le nombre d'employé(e)s permanents et contractuels qui travaillent actuellement pour votre entreprise.

Dans la seconde colonne, veuillez indiquer le nombre d'employé(e)s permanents et contractuels qui participent actuellement aux activités multimédia de votre entreprise.

		Nombre total d'employé(e)s		Nombre total d'employé(e)s de l'entreprise dans le domaine du multimédia
Administration/	permanent	,	\rightarrow	
Ventes	contractuel		→	
Création / Auteurs /	permanent		→	
Écrivains/ Concepteurs	contractuel		→	
Technique/	permanent		→	
Programmeurs	contractuel		\rightarrow	
Autres employés	permanent		→	
	contractuel		→	
	TOTAL		TOTAL	

4. Votre entreprise a-t-elle été rentable en 1998 ? Si tel n'a pas été le cas, en quelle année votre entreprise prévoit-elle atteindre la rentabilité?

Oui, l'entreprise a été rentable		(81)		
Non, mais prévoit devenir rentable	En 1999(26) En 2001			
	En 2000(29)	Après 2001 (6)		

5. Veuillez cocher la catégorie qui correspond aux recettes totales ou aux recettes projetées de votre entreprise pour chacune des années énumérées ci-dessous. Cette information sera utilisée dans l'évaluation de la taille de l'industrie du multimédia.

	1997	1998	1999	2000	2001
Moins de 250 000 \$	(79)	(65)	(40)	(24)	(19)
Entre 250 000 \$ et moins de 500 000 \$	(23)	(28)	(26)	(22)	(17)
Entre 500 000 \$ et moins de 1 million \$	(18)	(24)	(30)	(21)	(13)
Entre 1 million \$ et moins de 2 millions \$	(13)	(12)	(17)	(15)	(22)
Entre 2 millions \$ st moins de 3 millions \$	(1)	(5)	(8)	(7)	(7)
Entre 3 millions \$ et moins de 4 millions \$	(3)	(7)	(6)	(10)	(7)
Entre 4 millions \$ et moins de 5 millions \$	(1)	(1)	(2)	(4)	(8)
Entre 5 millions \$ et moins de 7 millions \$	(0)	(0)	(2)	(3)	(2)
Entre 7 millions \$ et moins de 10 millions \$	(1)	(0)	(1)	(3)	(5)
Entre 10 millions \$ et moins de 15 millions \$	(1)	(2)	(2)	(2)	(4)
Entre 15 millions \$ et moins de 20 millions \$	(0)	(0)	(2)	(2)	(4)
Entre 20 millions \$ et moins de 25 millions \$	(0)	(0)	(0)	(3)	(1)
Entre 25 millions \$ et moins de 30 millions \$	(1)	(0)	(0)	(0)	(2)
Entre 30 millions \$ et moins de 40 millions \$	(0)	(1)	(1)	(0)	(2)
Entre 40 millions \$ et moins de 50 millions \$	(0)	(0)	(0)	(1)	(2)
50 millions \$ et plus (PRÉCISEZ)	(1)	(1)	(1)	(1)	(1)

6. Au cours de ces mêmes années, quel pourcentage des recettes totales de votre entreprise est et sera lié au multimédia?

	1997	1998	1999	2000	2001
est/sera relié au multimédia	%	<u>%</u>	%	%	%

Deuxième partie

LES QUESTIONS QUI SUIVENT PORTENT STRICTEMENT SUR LES ACTIVITÉS MULTIMÉDIA

SEULEMENT SI VOUS ÊTES PRODUCTEUR MULTIMÉDIA

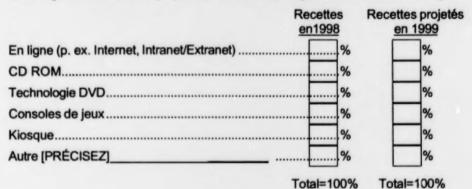
Tous les autres, passez à la page 8

CONTENU

7a. Quel pourcentage de vos recettes liées au multimédia est généré par chacun des types de produits ci-dessous pour 1998 et 1999 (projeté)? [L'ensemble des réponses doit totaliser 100%]

	Recettes en1998	Recettes projetés en 1999
Information/Référence	%	%
Éducation	%	%
Jeux	%	%
Divertissement	%	%
Développement de sites Web	%	%
Formation	%	%
Autres produits corporatifs	%	<u></u> %
Autre [PRÉCISEZ]	%	%
	Total=100%	Total=100%

7b. Veuillez évaluer le pourcentage de vos ventes multimédia selon chacune des plates-formes cidessous pour 1998 et 1999 (projeté). [L'ensemble des réponses doit totaliser 100%]



7c. Veuillez évaluer le pourcentage de vos recettes multimédia qui est généré par chacune des trois méthodes de développement énumérées ci-dessous, pour 1998 et 1999 (projeté). [L'ensemble des réponses doit totaliser 100%]

	Recettes en1998	Recettes projetés en 1999
Développé entièrement sur place	%	%
Fourni entièrement par une tierce personne	%	 %
Combinaison: sur place et tierce personne	%	 %
	Total=100%	Total=100%

8a. Parmi vos cinq derniers projets, combien ont inclus l'utilisation d'oeuvres préexistantes et comportant des droits d'auteur autres que les vôtres?

_____parmi les cinq derniers projets

SI LA RÉPONSE EST "ZÉRO", PASSEZ À LA question 8c

Q8a 0 1 2 3 4 5 Refus	Total
0	64
1	18
2	15
3	7
4	6
5	19
Refus	12
Ne sait pas	3
Total	144

8b. En pensant au projet le plus récent qui a nécessité l'utilisation d'oeuvres pré-existantes qui comportaient des droits d'auteur autres que les vôtres, quelle a été la dépenses associée au droit d'auteur, exprimée en pourcentage du coût de développement total du projet?

_% du coût de développement total du projet

Q8b	Total
0	7
1	8
2	3
3	3
5	9
10	16
15	4
20	3
25	2
30	2
Refus	18
Q8b 0 1 2 3 5 10 15 20 25 30 Refus Ne sait pas	5
Total	80

8c.	La dernière fois que vous avez obtenu l'affranchissement des droits d'auteur, de quelle façon
	avez-vous procédé? [Cochez toutes les réponses qui s'appliquent]

Directement	(102)
Par l'entremise d'un conseiller	(3)

r ai remembe d'un conseiller	(3)
Par l'entremise d'un avocat spécialisé en droit d'auteur	(15)

Autre [PRÉCISEZ]	(8)



SEULEMENT SI VOUS ÊTES ÉDITEUR MULTIMÉDIA

Tous les autres, passez à la page 9

MISE EN MARCHÉ ET DISTRIBUTION

9.	Quelles méthodes de distribution votre entreprise a-t-elle multimédia? [Cochez toutes les réponses qui s'appliquent]	
	En ligne	(72)
	Vente au détail	(27)
	Logiciel fourni avec équipement (OEM bundling)	(13)
	Commercialisation/ventes directes traditionnelles	(67)
	Autre [PRÉCISEZ]	(10)
10.	À quels médias suivants faites-vous appel pour faire la pr toutes les réponses qui s'appliquent]	omotion de vos produits? [Cochez
	Foires commerciales	(70)
	Publicité sur Internet	(75)
	Revues spécialisées	(56)
	Journaux	(17)
	Télévision	(16)
	Autre [PRÉCISEZ]	(24)
	AUCUN DES MÉDIAS CI-DESSUS	(6)
11.	Quel pourcentage de vos ventes multimédia au détail réals commerciales ci-dessous? [L'ensemble des réponses doit	
		% des ventes totales
	Librairies	%
	Magasins de musique	%
	Magasins d'appareils électroniques	%
	Magasins à grande surface	%
	Distributeurs en vrac/entrepôts	
	Autres magasins de vente au détail (PRÉCISEZ)	
		Total=100%

À RÉPONDRE PAR TOUS

INFORMATION RELATIVE AUX MARCHÉS

12a. Quelle proportion approximative du chiffre d'affaires relié au multimédia est générée dans chacune des régions géographiques suivantes? Veuillez indiquer votre réponse dans les cases prévues à cet effet. [L'ensemble des réponses doit totaliser 100%]

	% des affaires		
Canada	%		
États-Unis	%		
Amérique latine	%		
Japon	%		
Singapour	%		
Asie du Sud-Est (excluant le Japon et Singapour)	%		
Royaume-Uni	%		
Allemagne	%		
France	%		
Autre pays européen (excluant le RU., l'Allemagne, la Fran	ce)%		
Autres marchés internationaux	%		
	TOTAL=100%		

12b. Dans quelle mesure chacune des régions géographiques suivantes sera-t-elle importante à votre entreprise, relativement au développement de marchés, au cours des deux prochaines années? [SI VOUS AVEZ DES PROJETS PRÉCIS D'EXPANSION À L'EXTÉRIEUR DE L'AMÉRIQUE DU NORD, VEUILLEZ PRÉCISER LE(S) PAYS.]

	Pas du tout important			Très important		
Canada	(1)	(10)	(21)	(8)	(109)	
États-Unis	(4)	(13)	(20)	(15)	(95)	
Amérique latine [PRÉCISEZ]	(44)	(17)	(17)	(5)	(8)	
Asie [PRÉCISEZ]	(42)	(11)	(16)	(8)	(13)	
Europe [PRÉCISEZ]	(26)	(8)	(25)	(20)	(26)	
Autre [PRÉCISEZ]	(32)	(2)	(6)	()	(9)	

	% des recettes p	rovenant du multimédia
	Foyer	········ %
	Affaires (y compris le travail à domicile)	 %
	Gouvernement	%
	Éducation	 %
	Autres institutions publiques (p. ex. parcs nationaux, musées)	<u></u> %
	Autre [PRÉCISEZ]	············%
	тот	AL=100%
14.	En 1998, quel pourcentage des recettes de votre entreprise liés au multi- chacune des activités suivantes? [L'ensemble des réponses doit totaliser	-
	% des recettes p	rovenant du multimédia
	Développement de titres	%
	Édition	%
	0	a.
	Services à la clientèle (p. ex. développement de sites Web)	%

Quelle proportion de votre chiffre d'affaires relié uniquement au multimédia provient de chacun

13.

ASPECT FINANCIER

15.	Quel a été le pourcentage des coûts totaux de vos projets multimédias dépensé pour chacune
	des activités suivantes, en 1998. [L'ensemble des réponses doit totaliser 100%]

			70 des couts du multimedia
	Création/Dévelop	pement	
	Commercialisation	n & Distribution	
	Autre [PRÉCISEZ]	%
			TOTAL=100%
6.	Votre entreprise a-t	-elle déjà utilisé des	sources extérieures de financement?
	Intérieur	International	
	Oui (92) Non(59)	Oui (9) Non(108)	>Si "non"aux DEUX "Intérieur" ET "International", PASSEZ À LA question 18a
17.	, ,		financement suivantes votre entreprise a-t-elle déjà RÉPONSES QUI S'APPLIQUENT.]
	Banques		(60)
	Sociétés de fiduci	e	(3)
	Sociétés de crédit	l-bail	(17)
	Programmes gouv	vernementaux	(61)
	Firmes de capital-	risque	(14)
	Appels publics à l'	épargne	(3)
	Sources personne	elles (y compris les	amis et la famille)(60)
	Investisseurs part	iculiers	(30)
	Autre [PRÉCISEZ]	(6)
8a.		rcher du financement ffaires de votre entre	t extérieur au cours des 12 prochains mois, afin de prise?
	Oui		(91)
	Non	••••••	(57)>Si "non", PASSEZ Å
			A question 20a

18b. Si tel est le cas, quel serait votre ordre de préférence relativement aux huit sources énumérées cidessous, '1' indiquant la source 'la plus probable' et '8' pour la source 'la moins probable'. Utilisez chaque chiffre <u>une</u> fois seulement.

RANG DE LA SOURCE LA PLUS PROBABLE (1) À LA MOINS PROBABLE (8)

Banques	
Sociétés de fiducie	
Sociétés de crédit-bail	
Programmes gouvernementaux	
Firmes de capital-risque	
Appels publics à l'épargne	
Sources personnelles (y compris les amis et la famille	e)
Investisseurs particuliers	
Combien de financement prévoyez-vous demander au co	ours des 12 prochains mois?
Moins de 100 000 \$	(22)
Entre 100 000 \$ et moins de 200 000 \$	(15)
Entre 200 000 \$ et moins de 500 000 \$	(14)
Entre 500 000 \$ et moins de 1 million \$	(15)
Entre 1 million \$ et moins de 2,5 millions \$	(10)
Entre 2,5 millions \$ et moins de 5 millions \$	(8)
Entre 5 millions \$ et moins de 10 millions \$	(4)
10 millione \$ ou plus	(3)

19.

20a. Le secteur du multimédia de votre entreprise a-t-il établi des partenariats stratégiques alliances ou des entreprises conjointes au Canada ou à l'étranger? Une alliance stratégiques une entreprise conjointe peut être décrite comme étant deux entreprises ou plus posse compétences complémentaires et qui unissent leurs efforts pour réaliser des objectifs et des competences.					
	National	International			
	Oui (84)	Oui (60)			
	Non (59)	Non (79)	>Si 'non' aux DEUX 'Nation PASSEZ À LA question		
20Ь.			a plus récente alliance stratégiqu treprise avec une ou plusieurs au		
				LA PLUS RÉCENTE	
	Développeme	ent de titres (pri	incipalement)	(36)	
	Édition ou dis	tribution de titre	es (principalement)	(10)	
	Revendeuro	u intégration de	systèmes	(5)	
	Accès / foum	lture de conten	u	(14)	
	Accès à la ter	chnologie	***************************************	(26)	
	Mise en marc	hé et/ou ventes	3	(35)	
	Autre [PRÉCI	SEZ]		(2)	
20c.	D'après vos in stratégique?	tentions, quel se	ra <u>le</u> principal objectif de votre p	prochaine alliance ou co-entreprise	
				LA PROCHAINE	

	LA PROCHAINE
Développement de titres (principalement)	(30)
Édition ou distribution de titres (principalement)	(19)
Revendeur ou intégration de systèmes	(11)
Accès / fourniture de contenu	(17)
Accès à la technologie	(24)
Mise en marché et/ou ventes	(52)
Autre [PRÉCISEZ]	(5)
N'a pas l'intention de s'engager dans des alliances stratégiques ou entreprises conjointes	

20d. Quelle importance accorderez-vous à chacun des facteurs suivants lors de l'évaluation de partenaires potentiels futurs?

partenaires potentiels futurs?	Pas du tout important			Très important		
Améliorer l'accès aux marchés	(2)	(4)	(10)	(21)	(94)	
Rehausser la croissance stratégique	(4)	(7)	(20)	(28)	(69)	
Accroître la vitalité financière	(9)	(11)	(30)	(27)	(51)	
Améliorer la force technique de base	(10)	(29)	(37)	(24)	(25)	
Améliorer le taux de réponse face aux conditions sans cesse changeantes du marché	(9)	(21)	(41)	(30)	(25)	
Accroître les exportations	(14)	(14)	(31)	(23)	(45)	
Accroître les connaissances et compétences	(9)	(18)	(33)	(32)	(38)	
Autre [PRÉCISEZ]	(5)	()	(1)	(1)	(3)	

21. Dans quels autres secteurs industriels votre entreprise serait-elle davantage intéressée à former des alliances stratégiques ou des entreprises conjointes ? [COCHEZ TOUTES LES RÉPONSES QUI S'APPLIQUENT]

Propriétaires de contenus Producteurs de multimédia		(66)
Producteurs de multimédia	(40)	2 4 1915
	(40)	(43)
Fournisseurs de services Internet	(40)	(26)
Producteurs de logiciels	(45)	(39)
Distributeurs et éditeurs	(68)	(83)
Autre [PRÉCISEZ]	(16)	(9)

RESSOURCES HUMAINES/FORMATION

22. Veuillez indiquer les niveaux supérieur et inférieur des échelles salariales pour chacune des trois catégories d'emplois suivantes dans votre entreprise. Veuillez répondre en indiquant le salaire annuel ou le taux horaire.

Catégorie 1 : Administration/Ventes Salaire annuel OU Taux horaire					
	Supá-	Infé-	Supé	- Infé-	
	rieur	rieur	rieur	rieur	
Moins de 25 000 \$.(11)	(23)	Moins de 15 \$/l'heure(1)	(7)	
Entre 25 000 \$ et 34 999 \$. (8)	(38)	Entre 15 \$ et 34 \$/l'heure(7)	(6)	
Entre 35 000 \$ et 44 999 \$.(11)	(24)	Entre 35 \$ et 49 \$/l'heure(1)	(2)	
Entre 44 000 et 54 999 \$.(16)	(15)	Entre 50 \$ et 79 \$/l'heure(4)	(2)	
Entre 55 000 et 64 999 \$.(15)	(6)	Entre 80 \$ et 99 \$/l'heure(4)	()	
Entre 65 000 et 74 999 \$.(14)	(4)	100 \$ ou plus /l'heure(1)	()	
75 000 \$ et plus	(44)	(20)			

Catégorie 2 : Création/Auteurs/Écrivains/Concepteurs

Salaire annuel		dux norali	Supé-	Infé-
ries			rieur	rieur
Moins de 25 000 \$(9)	(29)	Moins de 15 \$/l'heure	(3)	(8)
Entre 25 000 \$ et 34 999 \$ (13)	(43)	Entre 15 \$ et 34 \$/l'heure	(10)	(14)
Entre 35 000 \$ et 44 999 \$ (19)	(16)	Entre 35 \$ et 49 \$/l'heure	(6)	(3)
Entre 44 000 et 54 999 \$ (25)	(4)	Entre 50 \$ et 79 \$/l'heure	(5)	(2)
Entre 55 000 et 64 999 \$(18)	(3)	Entre 80 \$ et 99 \$/l'heure	(4)	()
Entre 65 000 et 74 999 \$(8)	(2)	100 \$ ou plus /l'heure	(3)	()
75 000 \$ et plus(11)	(1)	•		

Catégorie 3 : Technique/Programmeurs
Salaire annuel OU Taux horain

Salaire annuel	C 4	1-44		C 4	1-64
	Supé- rieur	Infé- rieur		Supé- rieur	rieur
Moins de 25 000 \$	(12)	(24)	Moins de 15 \$/l'heure	(1)	(9)
Entre 25 000 \$ et 34 999 \$	(13)	(44)	Entre 15 \$ et 34 \$/l'heure	(11)	(7)
Entre 35 000 \$ et 44 999 \$	(15)	(26)	Entre 35 \$ et 49 \$/l'heure	(3)	(4)
Entre 44 000 et 54 999 \$	(19)	(3)	Entre 50 \$ et 79 \$/l'heure	.(5)	(6)
Entre 55 000 et 64 999 \$	(18)	(4)	Entre 80 \$ et 99 \$/l'heure	(6)	()
Entre 65 000 et 74 999 \$	(14)	()	100 \$ ou plus /l'heure	.(3)	()
75 000 \$ et plus	(15)	(2)			

23. Combien d'heures, en moyenne, vos employés travaillent-ils par semaine?

Nombre d'heures travaillées par semaine

Administration /	Total	Création (Autours)	Total	Technique/	Total
		Création /Auteurs /		1 echinque/	Total
0	5	0	8		וו ע
5	1	10	2	1	2
0	1	15	1	1	5 1
8	2	20	1	1:	
20	5	30	1 4	2	5 2
30	3	35			0 4
35	5	36	9	3	10
35 37	5 3 5 2 3 27	37	2	3	3 2
38	3	38	3	3	7 1
40	27	40	44		5
45	10	44	1 1	41	9 44
48	30 10	45	13 25 5	4	5 11 0 22 5 5
50	30	50	25	50	22
55 60	24	55 60	1 11	55	
65	24	70	11	6	1
70		100	1	70	
75	1	100		7	5 1
75 80	1				1
100	2				
Refus	11	Refus	14	Refus	13
				Ne sait pas	1
Total	152	Total	152	Total	152

24. Combien de temps, en moyenne, votre personnel demeure-t-il dans votre organisation?

Durée moyenne de l'emploi en mois

	Administration / ventes	Création /Auteurs / écrivains/ concepteurs	Technique/ Programmeurs
Employés permanents	mois	mois	mois
Employés contractuels	mois	mois	mois

25. Quel pourcentage de vos employés se retrouve dans chacun des types de fonctions suivantes? [L'ENSEMBLE DES RÉPONSES DOIT TOTALISER 100 %]

	%
Fonctions créatrices UNIQUEMENT	
Fonctions techniques UNIQUEMENT	
Administration et ventes UNIQUEMENT	
COMBINAISON: fonctions créatrices et techniques	
COMBINAISON: administration/ventes et autres	
AUTRES [PRÉCISEZ]	
TOT	AL = 1009

 Pour chacune des disciplines énumérées ci-dessous, veuillez répondre aux questions suivantes en l'inscrivant dans la case appropriée. Au besoin, référez-vous aux directives.

		PRÉVOIT EN	GAGER EN	1999			
	₹ →		PERM./ CONTR.		Disponibilité		
	Nombre d'embauches prévues	Expérience (années)	Perma- nent	Contrac- tuel	Très dispo- nible	Plutôt dis- ponible	Diffic- ile à trouver
	#	#	(Cochez t s'app	out ce qui lique)		ez <u>une</u> ré eulement	
Administration/ Ventes	.		(70)	(21)	(21)	(40)	(28)
Créations/ Auteurs/écrivains/ Concepteurs	*		(53)	(59)	(20)	(53)	(28)
Technique/ Programmeurs	*		(66)	(61)	(21)	(52)	(39)

- Nombre: Indiquez votre meilleure évaluation quant au nombre de personnes que votre entreprise prévoit embaucher pour cette catégorie d'emploi en 1999.
- ➡ Expérience: Combien d'années d'expérience, en moyenne, le/la candidat(e) devraitil/elle avoir pour combler ce poste? Inscrivez votre réponse en nombre d'années à côté de chaque fonction.
- Permanent/Contractuel: En majeure partie, le ou les postes sont-ils principalement des emplois permanents ou contractuels?
- Disponibilité: Dans quelle mesure vous attendez-vous à ce qu'il soit difficile de trouver le personnel qualifié pour chacune des catégories? Croyez-vous que les candidat(e)s qualifié(e)s seront très disponibles, plutôt disponibles ou difficiles à recruter?

(103)(44) ->F yant reçu une formation E]%% CHEZ TOUTES LES F	quelco				2
yant reçu une formation % CHEZ TOUTES LES I	quelco				2
CHEZ TOUTES LES I		onque a	u cour	s des 12	2
% CHEZ TOUTES LES I	RÉPON				
CHEZ TOUTES LES I	RÉPON				
	RÉPON				
	ш. о.	ISES C	UI		
ructurée(87)					
eliers)(61)					
ttes totales était alloué à	la form	nation?	[PAS		
n 1998					
z-vous embauché directe	ement o	l'un éta	blissen	nent	
e) de la qualité de la form	nation	dispens	ée par	chacun	des
					S <u>/O</u>
lics, (10) (13)	(12)	(23)	(26)	(18)	
(11) (18)	(20)	(21)	(19)	(11)	
à l'industrie	4000				
(11)	(7)	(28)	(18)	(10)	
(40)	(10)	(13)	(9)	(6)	
(19) (39)	(,	(13)	(5)	(-)	
	r 1998 z-vous embauché directe) de la qualité de la form Pas du te Satisfai lics,	Pas du tout Satisfait lics, (10) (12) (13) à l'industrie (11) (7)	Pas du tout Satisfait lics, (10) (12) (23) (13) (11) (20) (21) à l'industrie (11) (7) (28)	Pas du tout Ti Satisfait satisfait (13) (23) (26) (18) à l'industrie (11) (7) (28) (18)	Pas du tout Très Satisfait Satisfait (10) (12) (23) (26) (18) (18) (18) (11) (7) (28) (18) (10)

GOUVERNEMENT

32a. Autant que vous sachiez, dans quelle mesure le gouvernement fédéral joue-t-il un rôle actif dans l'industrie du multimédia aujourd'hui?

Très actif	Plutôt actif	Pas du tout actif
Crédits d'impôt(15)	(63)	(64)
Subventions(13)	(76)	(55)
Prêts(15)	(71)	(55)
Aide à l'embauche(17)	(58)	(65)
Aide au développement des exportations(38)	(70)	(37)
Aide au développement d'alliances et de partenariats(19)	(72)	(51)
Participer au développement de normes(6)	(52)	(83)
Améliorer l'accès à l'information stratégique(11)	(74)	(55)

32b. Selon vous, dans quelle mesure le gouvernement fédéral <u>devrait</u>-il sllengager dans les domaines suivants des entreprises multimédia?

Très actif	Plutôt actif	Pas du tout actif
Crédits d'impôt(111)	(25)	(9)
Subventions(97)	(36)	(13)
Prêts(94)	(37)	(13)
Aide à l'embauche(101)	(37)	(7)
Aide au développement des exportations(99)	(35)	(10)
Aide au développement d'alliances et de partenariats(77)	(45)	(21)
Participer au développement de normes(50)	(45)	(47)
Améliorer l'accès à l'information stratégique(76)	(55)	(13)

33. Votre entreprise a-t-elle déjà bénéficié de l'une ou l'autre des programmes suivants, mis en oeuvre par le gouvernement fédéral?

	<u>Oui</u>
Prêts de démarrage pour les petites entreprises	(29)
Aide à l'embauche	(43)
Bourses	(37)
Banque de développement du Canada	(27)
Marchés publics	(19)
Autres prêts endossés par le gouvernement	(28)
Événements/missions, foires commerciales internationales	
favorisant le partenariat	(47)



34. Veuillez indiquer dans quelle mesure vous êtes d'accord ou en désaccord avec chacun des énoncés suivants, selon qu'ils s'appliquent ou pas au secteur du multimédia de votre entreprise. Si vous êtes d'accord, veuillez indiquer l'importance qu'a eue ces répercussions, si tel est le cas, sur vos affaires.

TOO MILLINGS		Répercu	ssions sur l'entreprise	
En Désaccor	D'ac-	Aucunes répercussions répercussions	Certaines répercussions	Très grandes
MARCHÉS INTERNATIONAUX L'investissement international offre de grandes possibilités pour				
la croissance de notre entreprise(60)	(92)	(16)	(33)	(43)
Les mesures réglementaires interna- tionale nous empêchent de pénétrer				
sur certains marchés internationaux(113)	(39)	(11)	(19)	(9)
Les variations dans les infrastruc- tures technologiques internationales entravent les exportations de notre				
entreprise vers certains pays(99)	(53)	(15)	(28)	(10)
Les questions culturelles nous empêchent de pénétrer les marchés internationaux(80)	(72)	(13)	(38)	(21)
L'absence d'information relative aux marchés internationaux nuit à nos exportations(85)	(67)	(4)	(45)	(18)
EMPLOYÉS Il est plus difficile de trouver des employés d'expérience avec une bonne		•		
formation qu'il y a trois ans(97)	(55)	(2)	(19)	(34)
Il est plus difficile d'embaucher des employés ayant à la fois des compétences techniques et créatrices		→		
qu'il y a deux ans(86)	(66)	(3)	(24)	(39)

			ssions sur l'ent	
En Désaccord	cord	Aucunes répercussions répercussions	Certaines répercussions	Très grande
DROITS D'AUTEUR				
Le processus d'autorisation des droits				
d'auteur est trop long(67)	(85)■	(14)	(44)	(27)
Le processus de libération des droits d'auteur serait amélioré s'il n'y				
avait qu'un seul point d'autorisation(46)	(106)	(16)	(57)	(33)
L'accès à une meilleure information sur les droits d'auteur faciliterait		_		
notre travail(55)	(97)	(8)	(56)	(33)
Le niveau insuffisant de protection Internationale des droits d'auteur	1	_		
limite nos exportations(100)	(52)	(4)	(29)	(19)
TITRES DU MULTIMÉDIA				
Il est plus facile d'obtenir une aide				
financière pour créer de nouveaux				
titres multimédia qu'il y a		-		
deux ou trois ans(108)	(44)	(5)	(26)	(13)
Le regroupement de logiciels avec le				
matériel informatique (bundling) limite		-		
nos possibilités d'affaires(114)	(38)	(7)	(21)	(10)
CROISSANCE				
La croissance du marché canadien				
du multimédia n'est pas aussi rapide				
que prévue(64)	(88)	(3)	(44)	(41)
La croissance des marchés internationaux		_		
du multimédia n'est pas aussi rapide				
que prévue(91)	(61)	(4)	(36)	(21)
Le développement du commerce électro-		-		
nique aidera à la croissance des			244	
ventes du multimédia(28)	(124)	(6)	(43)	(75)

			Répercu	Répercussions sur l'entreprise		
	En Désaccord	cord	Aucunes répercussions répercussions	Certaines répercussions	Très grandes	
LOGISTIQUE						
Les canaux de distribution existants	(73)	(70)	(2)	(24)	(42)	
ne répondent pas à nos besoins	(73)	(79)	(3)	(34)	(42)	
Nous devons soumissionner bas sur des proje	ts					
parce que nos concurrents coupent		_				
leurs prix pour gagner des projets	(69)	(83)	(2)	(34)	(47)	
Notre entreprise manque de			_			
connaissances générales en affaires	(117)	(35)	(1)	(24)	(10)	
La majeure partie de la production						
est mue davantage par l'édition que			_			
par le développement	(85)	(67)	(12)	(32)	(23)	

À PROPOS DE VOUS

35.	Lequel des énoncés suivants vous décrit le mieux? [CHOISIR <u>UNE</u> RÉPONSE SEULEMENT]						
	Propriétaire unique / Associé(86)						
	Cadre supérieur(55)						
	Contractuel /consultant()						
	Employé(e)(6)						
	N'est pas décrit ci-dessus(4)						
36.	Quelles sont vos responsabilités fonctionelles ? Veuillez indiquer toutes les fonctions auxquelles vous participez. [COCHEZ TOUTES LES RÉPONSES QUI S'APPLIQUENT]						
	Administration	(126)	Service à la clientèle	(82)			
	Gestion supérieure	(125)	Consultation	(70)			
	Finances/Comptabilité	(99)	Développement multimédia	(80)			
	Commercialisation	(122)	Services de création	(60)			
	Ventes	(95)	Services de production	(56)			
	Gestion TI/GSI	(39)	Formation/Éducation	(47)			
	Gestion de produit	(67)	Ressources humaines/Personnel	(77)			
	Ingénierie/R&D	(35)	Relations publiques/Communications	(97)			
37.	Veuillez indiquer votre fonction principale. [COCHEZ <u>UNE</u> RÉPONSE]						
	Administration	(15)	Service à la clientèle	(3)			
	Gestion supérieure	(69)	Consultation	(2)			
	Finances/Comptabilité	(4)	Développement multimédia	(16)			
	Commercialisation	(11)	Services de création	(8)			
	Ventes	(7)	Services de production	(2)			
	Gestion TI/GSI	(1)	Formation/Éducation	(2)			
	Gestion de produit	(2)	Ressources humaines/Personnel	()			
	Ingénierie/R&D	(2)	Relations publiques/Communications	(2)			

Merci d'avoir pris le temps de participer à cet important sondage. Veuillez placer le questionnaire complété dans l'envelopperéponse affranchie et la poster à ACNielsen•DJC Research. MERCI!

LISEZ-MOI D'ABORD

Directives importantes pour ce sondage.

Cette étude porte sur l'industrie du multimédia au Canada. Si vous êtes ni éditeur, ni producteur multimédia, le nom de votre entreprise est entré dans notre base de données par erreur. Pour nous aider à corriger cette erreur, veuillez nous expédier cette étiquette postale - sans le questionnaire - dans l'enveloppe-réponse préaffranchie incluse. Le nom de votre entreprise sera rayé de notre base de données pour que vous ne soyez plus importuné par ce genre de sollicitation à l'avenir.

Si vous êtes éditeur ou producteur multimédia, les directives et définitions qui suivent devraient vous aider à remplir le questionnaire plus rapidement. Une fois le questionnaire complété, veuillez le placer dans l'enveloppe-réponse préaffranchie fournie à cet effet et le poster. Nous contacterons les gens qui ne nous aurons pas retourné le questionnaire avant la date d'échéance. Pour éviter de vous importuner avec un appel de ce genre, nous vous demandons de mettre cette feuille dans l'enveloppe que vous nous retournerez, sans toutefois la brocher au questionnaire.

Merci de votre aide!

Indiquer votre réponse

Il existe plusieurs types de questions dans ce sondage. Le type le plus commun vous demande de répondre à la question en cochant la case appropriée. La plupart du temps, vous n'aurez qu'une seule case à cocher, soit d'un X ou d'un ✓. D'autres questions vous demanderont de choisir toutes les réponses qui s'appliquent. Assurez-vous de lire les directives pour chaque question.

Certaines questions peuvent demander que vous

Certaines questions peuvent demander que vous répondiez par un chiffre. Soyez aussi précis(e) que possible en inscrivant ces chiffres. Veuillez éviter les approximations du genre entre 10 et 15.

Si vous êtes incertain(e) et qu'il vous est impossible de le confirmer, répondez au meilleur de vos connaissances. N'hésitez pas à consulter d'autres personnes de votre bureau si vous n'êtes pas certain(e) de quelque chose. Toutefois, rappelez-vous que nous recherchons avant tout votre opinion.

Quelles sections dois-je remplir?

Certaines sections ne s'appliquent qu'aux entreprises actuellement actives dans le développement de titres de multimédias (producteur), alors que d'autres sections ne s'appliquent qu'aux entreprises actives actuellement dans la commercialisation et la distribution de produits multimédia (édition). Si votre entreprise est active dans le développement, la commercialisation et la distribution, veuillez remplir toutes les sections.

Lorsque vous avez terminé

Lorsque vous aurez rempli le questionnaire, glissez-le dans l'enveloppe pré-affranchie et postez-la.

DÉFINITION DE TERMES

Tout au long de ce sondage, nous utiliserons des termes qui peuvent avoir différentes significations, selon la perspective de votre industrie. Nous présentons tout de même quelques définitions afin que tous ceux et celles qui répondent à ce sondage aient la même compréhension des termes.

Multimédia (interactif)

Le multimédia (interactif) peut être défini comme étant une présentation électronique interactive d'information (numérique) incorporant deux éléments média ou plus (par exemple: graphiques, texte, animation, vidéo ou son) pour être recrées sur un dispositif modéré d'ordinateur.

Production

C'est l'aspect de l'industrie du multimédia (interactif) qui entre directement en ligne de compte avec la création et le développement des éléments média et avec leur intégration dans une présentation multimédia (interactive).

Édition

C'est l'aspect de l'industrie multimédia (interactif) qui entre principalement en jeu avec la commercialisation, la promotion et le financement de produits multimédia (interactifs).

Employé permanent

Employé qui travaille pour une entreprise, qui bénéficie des avantages sociaux et dont l'impôt est retenu à la source.

Employé contractuel

Individus qui travaillent pour une entreprise soit selon un contrat d'une durée prédéterminée, ou en soustraitance pour un projet. Ces individus peuvent ou non avoir leur impôt retenu par l'employeur, mais ne bénéficient d'aucuns avantages sociaux de l'entreprise.

> SOYEZ ASSURÉS DE LA CONFIDENTIALITÉ DE TOUS LES RENSEIGNEMENTS FOURNIS DANS LE CADRE DE CE SONDAGE.